# Agenda 12-15-93

1. Introductions
   Jerry George: Proposed New Member
2. Current Financial Overview
3. Direction / Financial Plan
4. Responsibilities of Board Members
5. ABA
6. Board Member Bios
7. Upcoming Events
8. New Business

BOARD MEETING MINUTES

Date: Monday, November 15, 1993
Time: 4:30 PM
Attendees: John Sumser, Peggy Lauer, Beau Takahara, Tano Maida, Marly Norris

John - introduction of all present and reviewed agenda
suggested immediate vote on electing Tano to board.

Peggy - requested Tano's background

Tano - reviewed involvements with other non-profits
Founding member of Tricycle magazine
Documentary film project on the making of the MWEC

**Peggy forwarded a motion to appoint Tano to the board, seconded by Beau, passed unanimously.**

John - Chris Desser's resignation effective once she has reviewed 1992 tax forms. Discussed revision of "departure ritual" and suggested dinner before the end of November

Peggy - suggested letter of thanks and the possibility of forming an "advisory board" for departing board members. Also pointed out the need to revise Point Foundation bylaws to reflect changes in board.

John - brief discussion of priorities of board

**Peggy - schedule another meeting to discuss board requirements after Tano has had a chance to review John's letter.**

John/Marly - presentation of 1992 tax returns

John - Current financial situation and long term goals

John - presented marketing problems and ideas
presented rationale for sale of WELL stock
Estimated net gain $750,000

Tano - concerns over appearance of sale to CA state attorney general

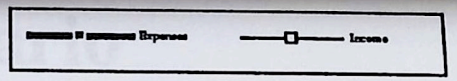
Peggy - more information on reasoning behind sale

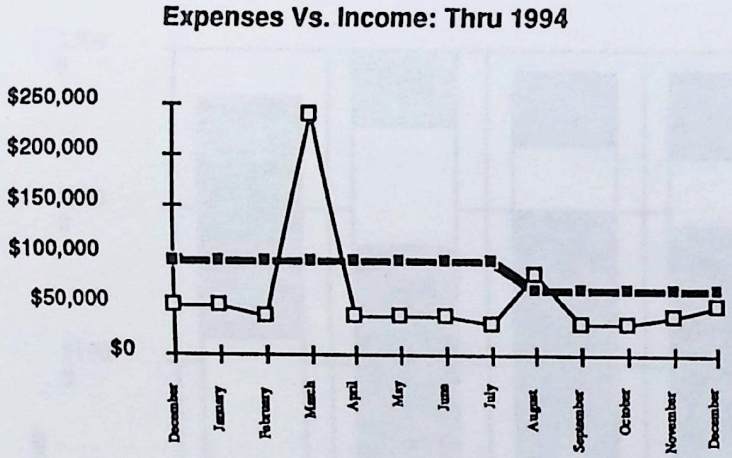
John - agreement not possible with current co-owner; Bruce Katz does not understand technical management or service industry; would like to go national.

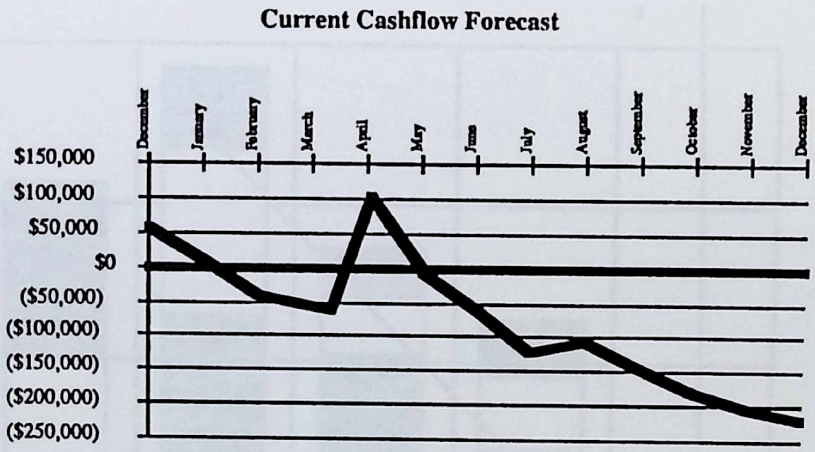
Tano - questions on royalty use of name "Whole Earth"

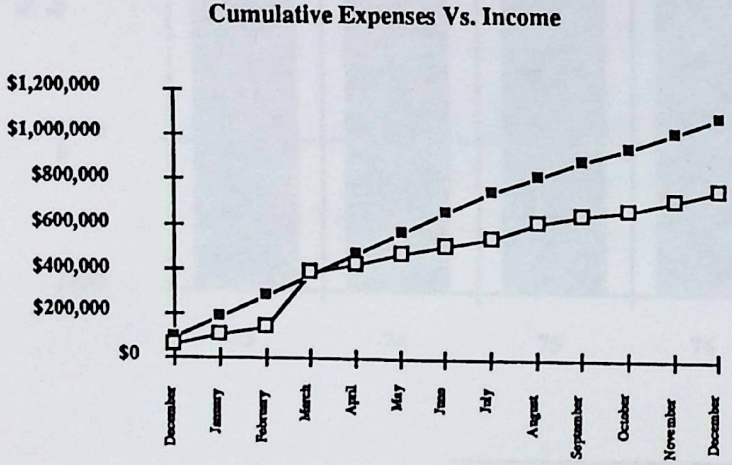
**Board decided to move ahead with sale of WELL stock after John has obtained an "opinion letter" from an attorney or accountant to the Attorney General that confirms that the sale will not violate the public trust or impact on Point's non-profit status.**

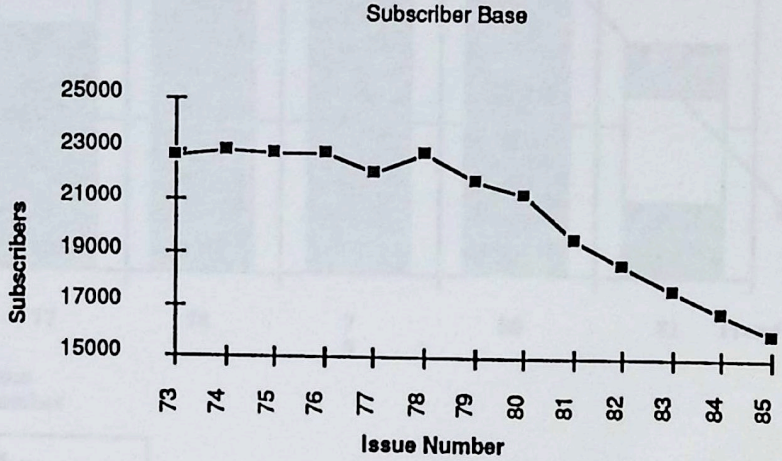
# Current Situation



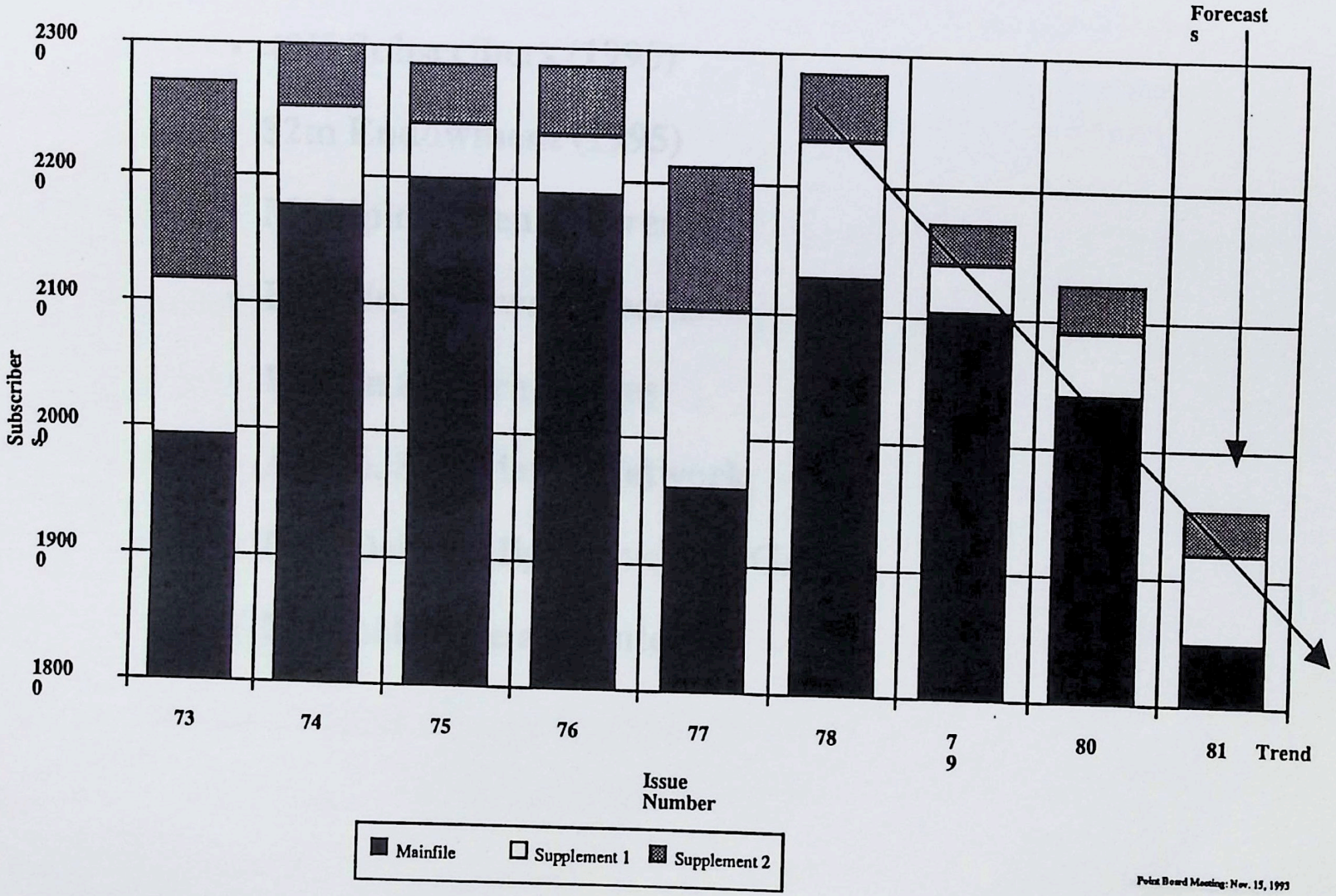




Point Board Meeting: Nov. 15, 1993

# Subscribers: Likely Scenario




Point Board Meeting: Nov. 15, 1993

# Long Range Goals

- 40K Subscribers (1995)
- $2m Endowment (1995)
- Multiple Revenue Streams
- Built In Renewal Process
- Return to Core Values
- Active, Stimulated Network
- Low Dollar, High Leverage Grants
- Physical Place as Center

# Point Foundation Principles

The world is deeply in need of a broader, more comprehensive frame of reference.

**Point** is a Philanthropic Organization that makes low dollar, high leverage grants. Point is specifically apolitical, looking to define tools, not rules. Grants and operations support and further the following principles.

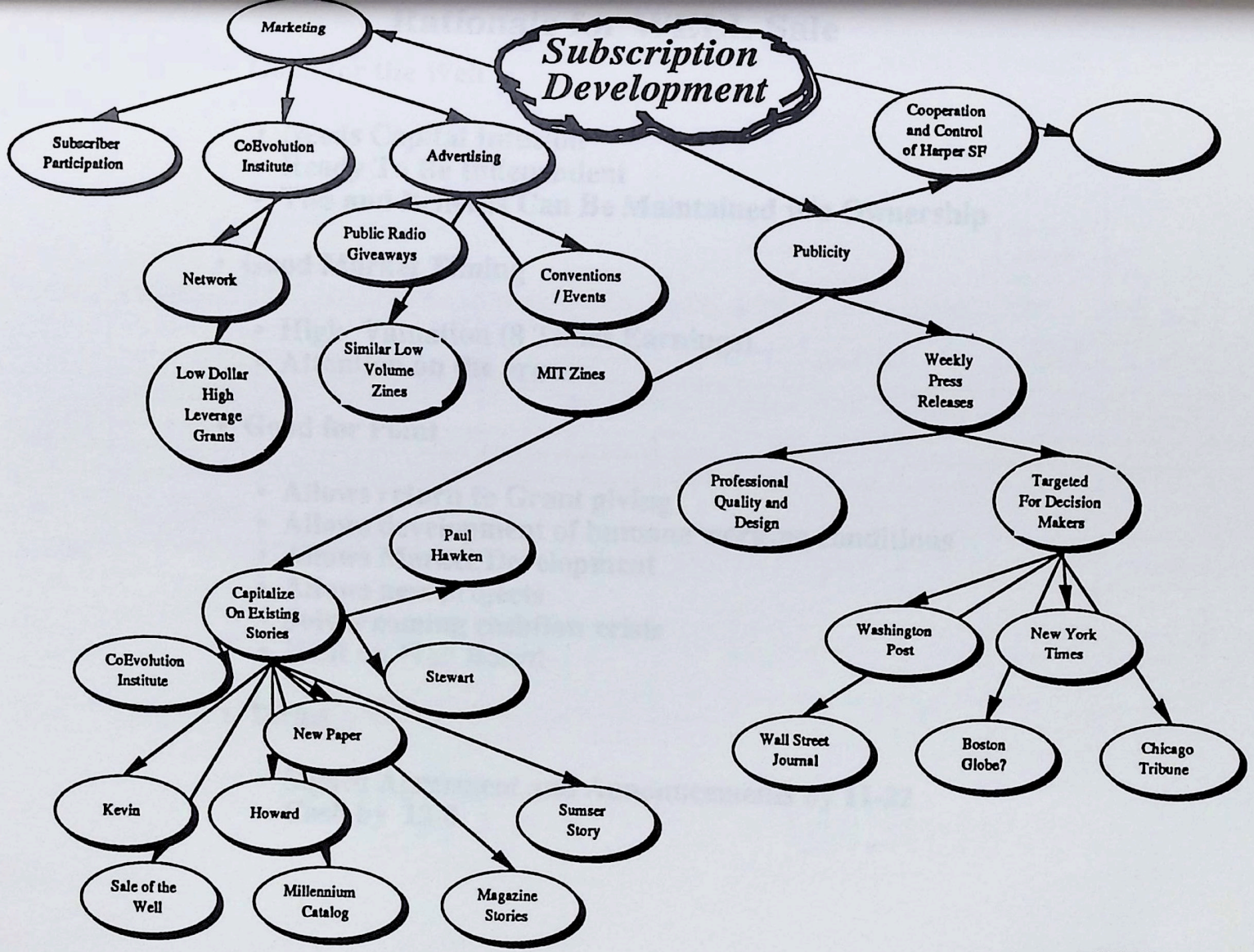
- Challenge Assumptions, Stretch Minds
- Access to Tools For Independent Thinking and Living
- Access to Cutting Edge Research
- Search for Practical, Usable Principles; Scientific and Spiritual
- Build and Use Network Effectiveness
- Employee Ownership (Responsibility)
- Principles First, Money Second

# Workplace Principles

- Higher Pay Than Peer Organizations
- Delightful Surroundings (Beauty)
- Full Range Benefits (Retirement)
- Congruity with Publication Principles
- Craft Mastery
- Quality Tools
- Healthy Work Environment
- Employee Responsibility
- Rewards Tied to Contribution
- Focus On the Customer

# Publication Principles

- Promote 'Comprehensivist' View of World
- Quality Writing / Reviews
- Focus on Interdisciplinary View
- Usable / Readable Information
- Portability (Read on the Fly)
- News, News, News
- Call to Action
- Emphasis on First Person
- Emphasis on Broad Technology
- Provider of Reviews




Point Board Meeting: Nov. 15, 1993

# *Rationale for WELL Sale*

- ***Good for the Well***
  - Needs Capital Infusion
  - Ready To Be Independent
  - Ties and Benefits Can Be Maintained w/o Ownership
- **Good Market Timing**
  - **High Valuation (8 Times Earnings)**
  - **Attention on the area**
- **Good for Point**
  - **Allows return to Grant giving**
  - **Allows development of humane working conditions**
  - **Allows Market Development**
  - **Allows new projects**
  - **Solves coming cashflow crisis**
  - **HLR on Well Board**
- **Terms**
  - **Signed Agreement and Announcements by 11-22**
  - **Cash by 12-8**

# *Budget:* Catalog Refurb and Cashflow Supplement

| Summary | 12 Computers | 29 Ethernet plus controllers etc. | 4 Couches | 5 Tables | 16 Chairs | 14 Desks | Phone System and 33 phones | Decora tions | Lamps | Xerox/ music/fol ding chairs | shelving |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Budget | 25000 | 12000 | 1600 | 1000 | 4800 | 2800 | 13500 | 2000 | 1000 | 7000 | 3000 |
| Total | 73700 | | | | | | | | | | |
| Garden | 10000 | | | | | | | | | | |
| Total Upgrade | 83700 | | | | | | | | | | |
| Additiona l Cash flow | 200000 | | | | | | | | | | |
| Contribut ors | 50000 | | | | | | | | | | |
| Totals | 333700 | | | | | | | | | | |

# $400K to seed 'CoEv Institute'

To: John S.
380-8245

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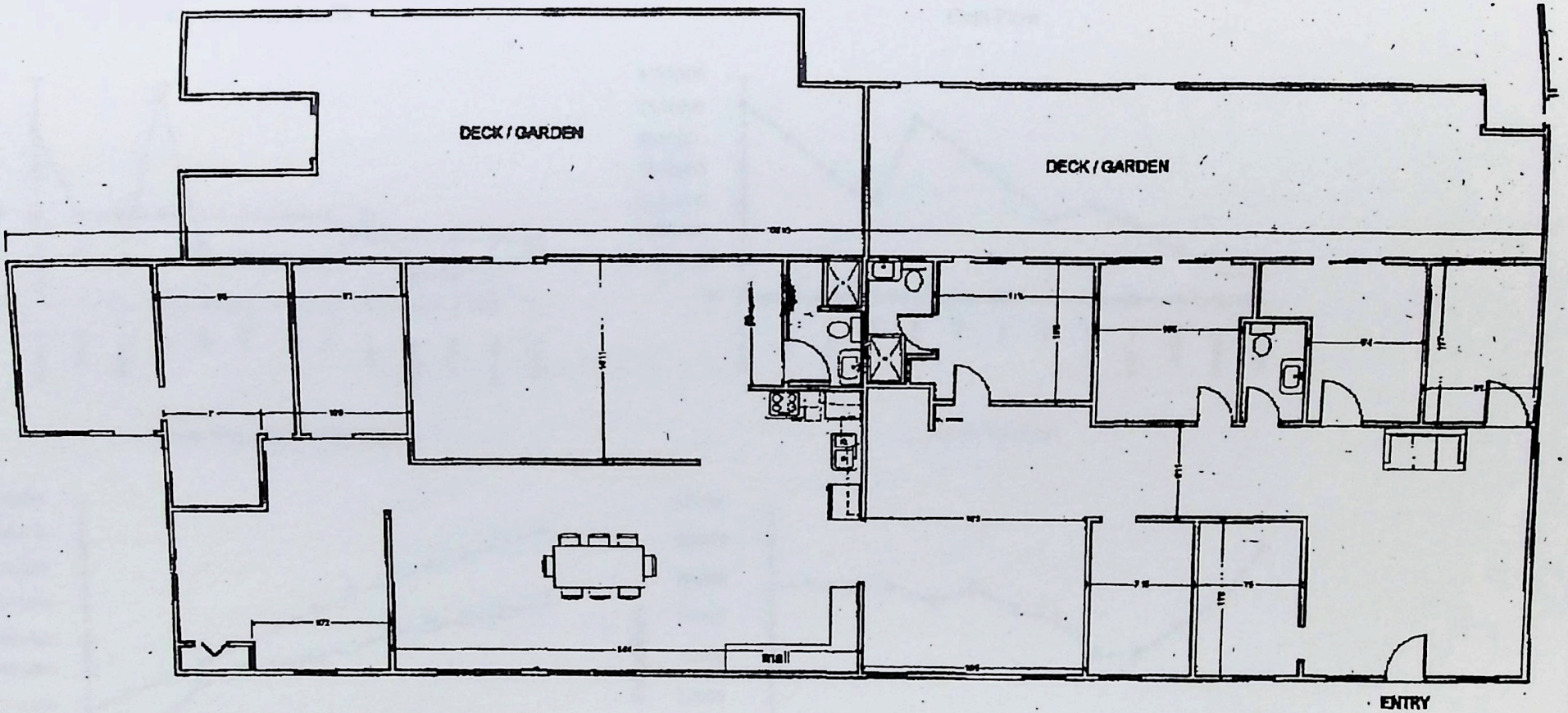



PHONE NO. : 415 332 6641

FROM : York Sausalito

REVISED - 11/12/93

John, this is a more accurate drawing of measured sizes of the rooms.

Jobs to Do!

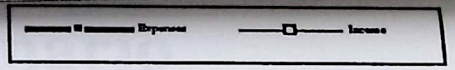
1. demolation - build new walls
2. change plumbing
3. relocate heaters (2)
4. electrical
5. sheetrock
6. floors
7. paint - trim

Correct Answer as to time is 30 day +

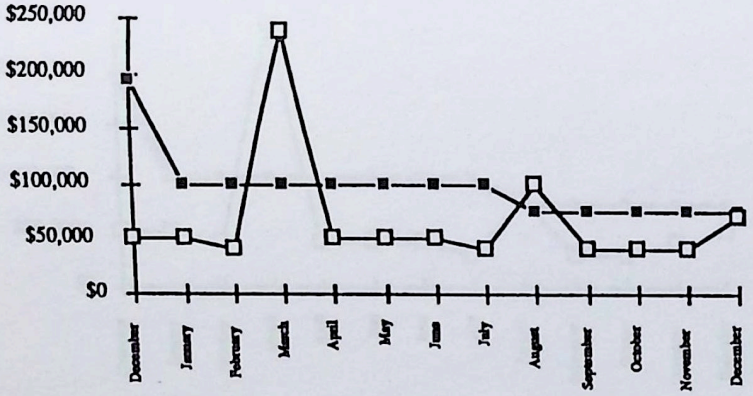
Actual ~~if~~ - IF - we can start early & get cooperation from the walls to about end of year or possibly x-mas

TOM

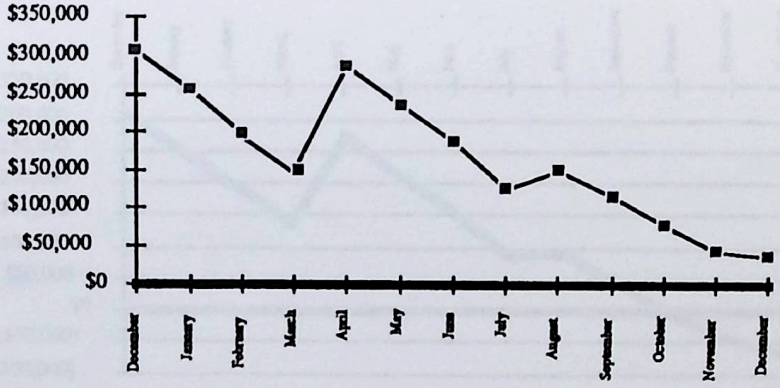
# Revised Plan: Goals



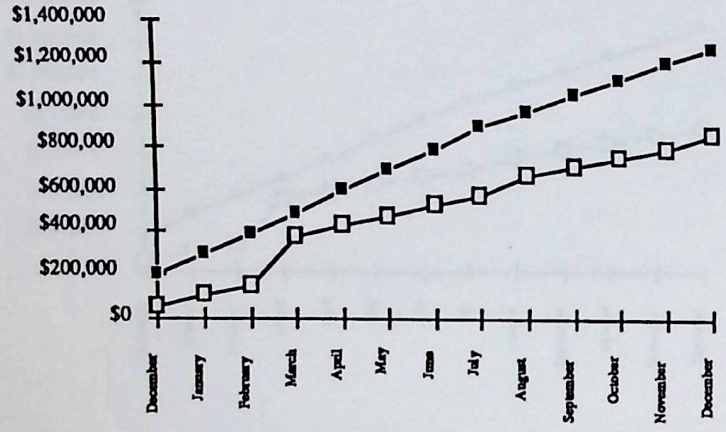

Expenses Vs. Income



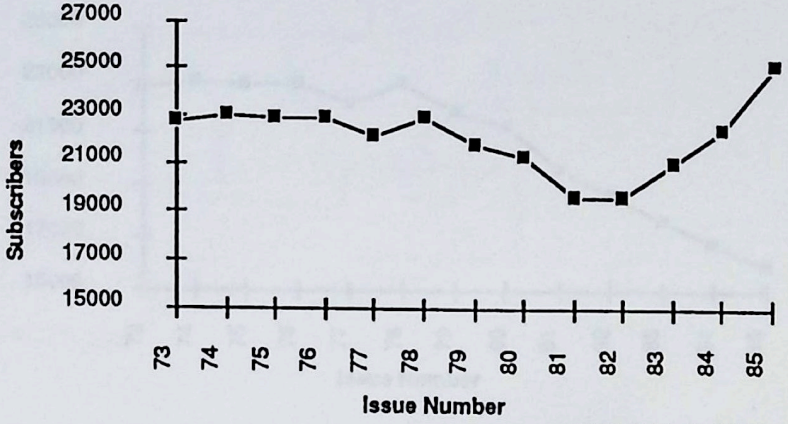

Cash Flow




Cum. Expenses Vs. Income

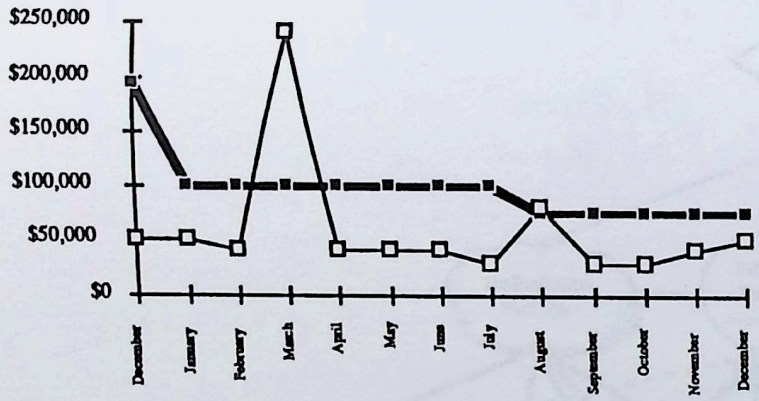


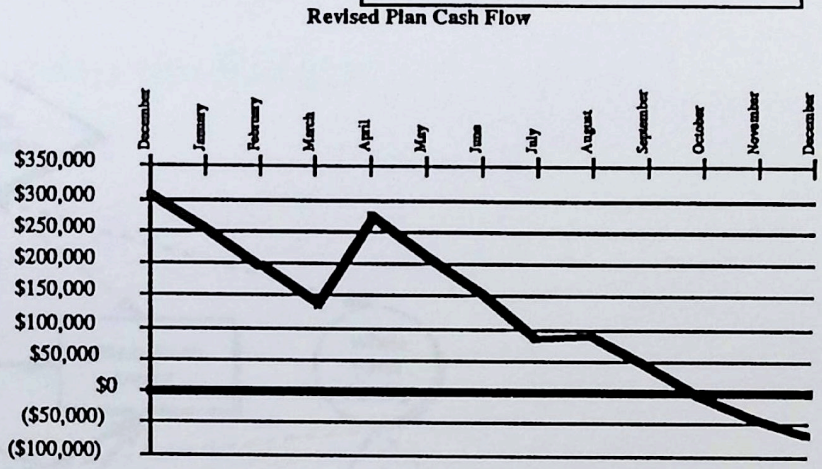

Subscriber Base

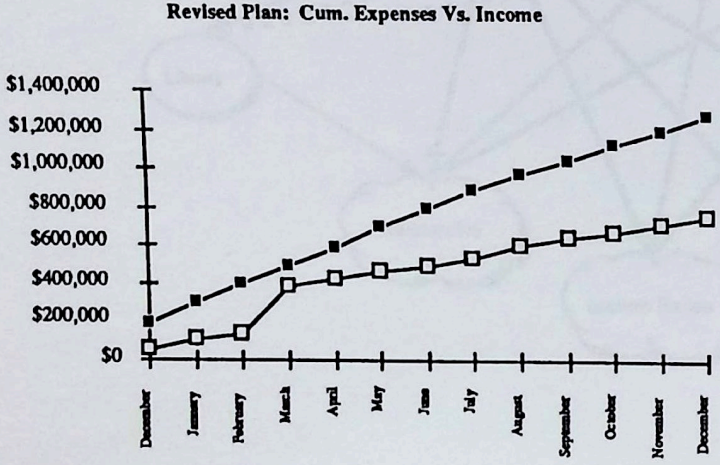


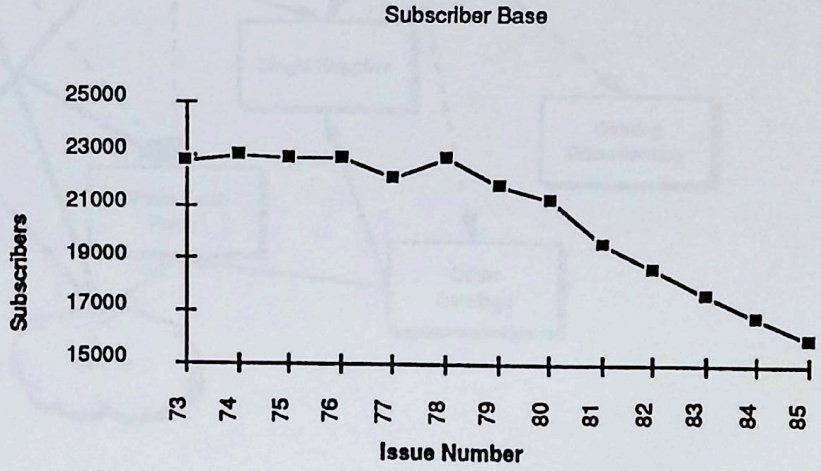

Point Board Meeting: Nov. 15, 1993

# Revised Plan: Failure Scenario



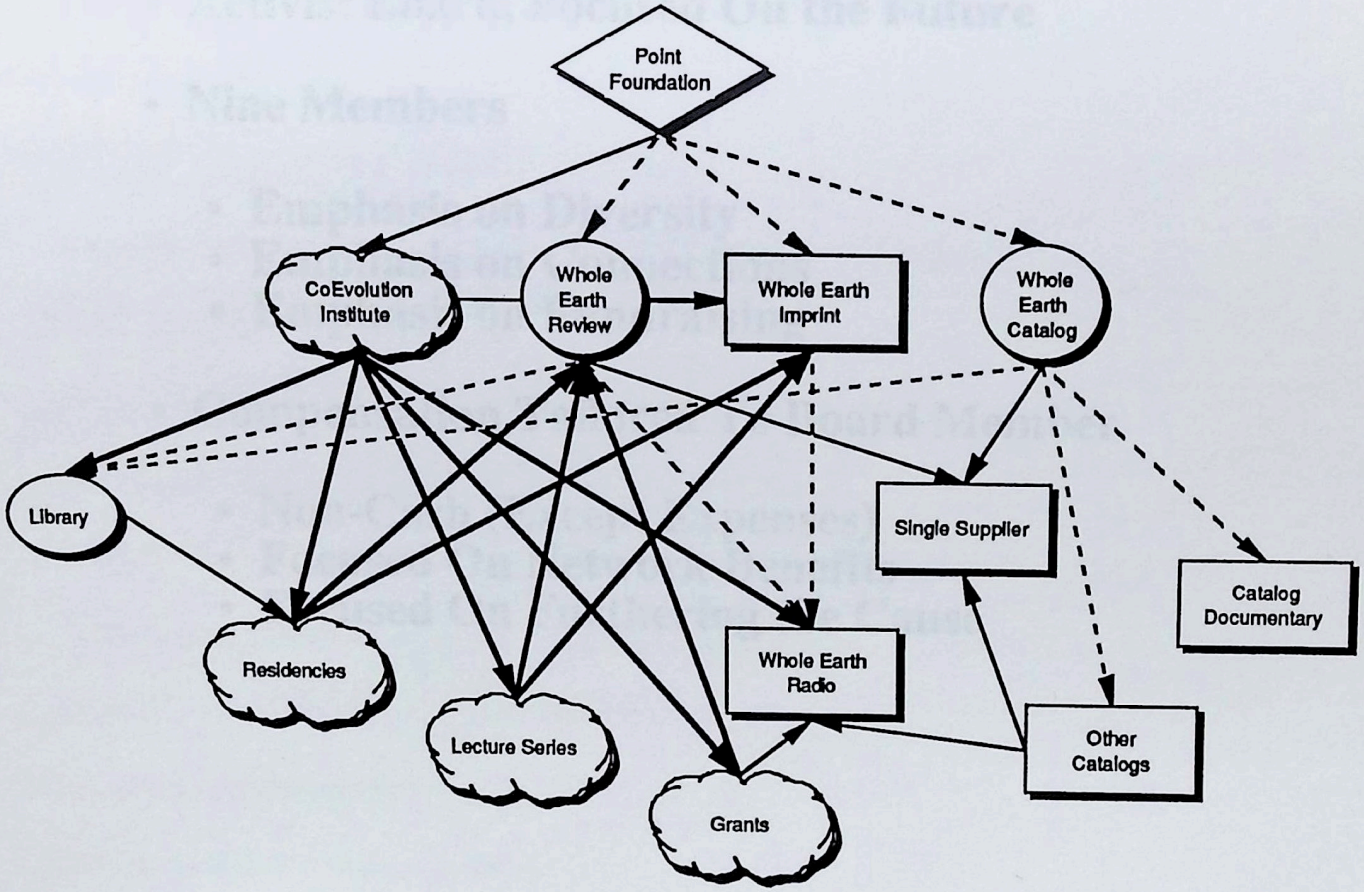




Point Board Meeting: Nov. 15, 1993

# Planned Structure



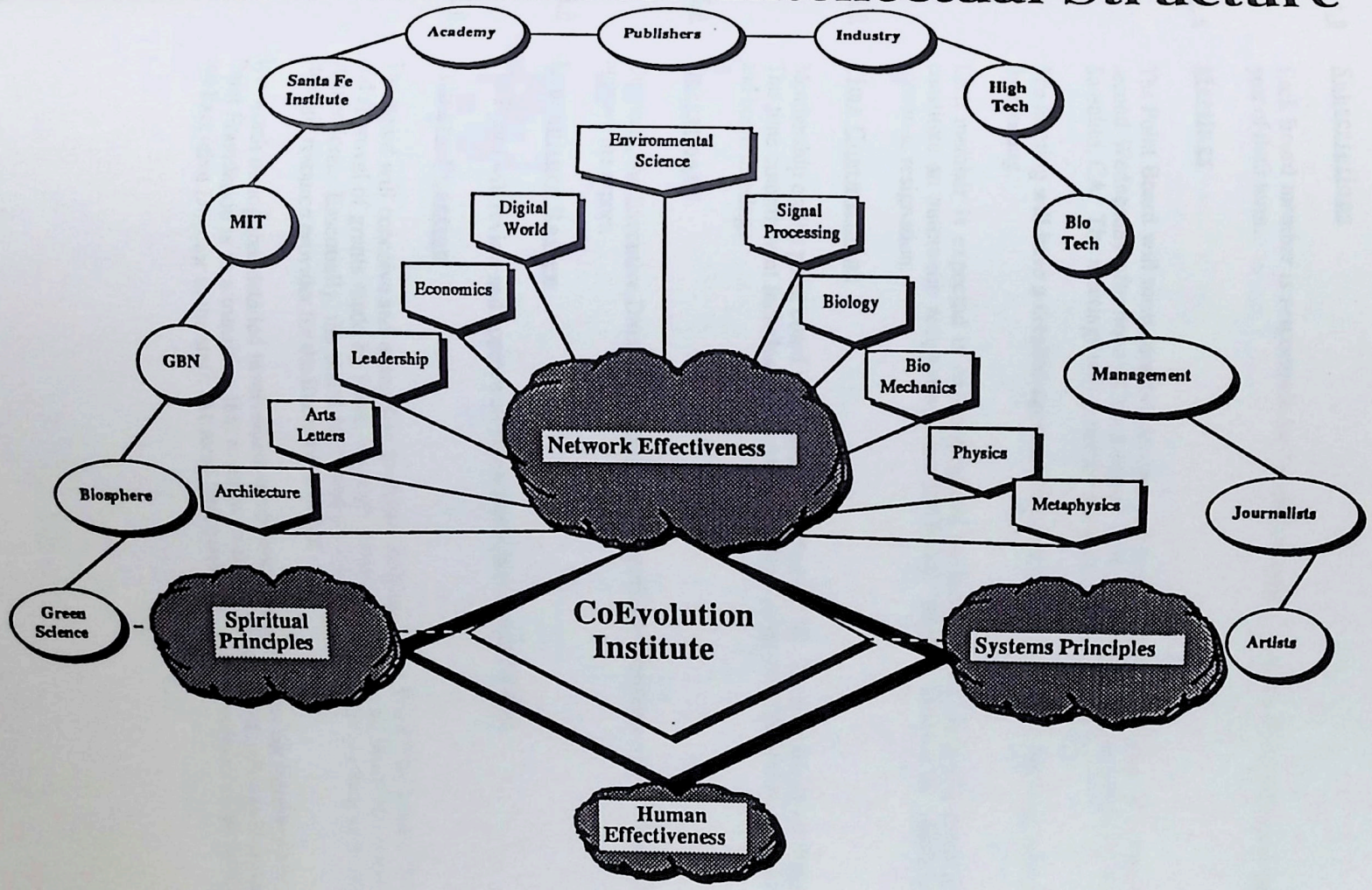
## Board Recruitment / Design

- Activist Board, Focused On the Future
- Nine Members
  - Emphasis on Diversity
  - Emphasis on Connections
  - Emphasis on Fundraising
- Compensation Tailored To Board Member
  - Non-Cash (Except Expenses)
  - Focused On Network Benefits
  - Focused On Furthering the Cause

# *CoEvolution* Institute: Purposes

- Low Dollar, High Leverage Grants Supporting Point's Purpose
- Weekly Gathering
  - Bridging 200 Regional People / 500 Global
  - Goal: To Build Comprehensive / Interdisciplinary Perspective
  - Goal: To Fuel Network
  - Longer Range Goal: Point Revenue Stream
  - Source For Magazine Articles / Imprint Material
- Intellectual Center: Pont Library / Residence (Greenhouse)
  - Week-Long Residency Grants -- Paper Output
  - Solitude / Working Space For Network Members
- Occaisional Publications
- Endowment Fund Raising in 1995

# CoEvolution Institute: Intellectual Structure




**Search for Effective Principles (Not Rhetoric)**

Point Board Meeting: Nov. 15, 1993

# Point Board Of Trustees: Roles and Responsibilities

## 1.0 Introduction

This document describes the roles and responsibilities of each member of the Point Foundation Board of Trustees. The Point Board will be a nine member group selected for their commitment to the vision of the Point Foundation and for their access to differing segments of the regional and national components of the Point Foundation's constituency.

## 2.0 Subscriptions

Each Board member is responsible for "giving or getting" a minimum of 500 subscriptions. During each year of their term.

## 3.0 Meetings

The Point Board will meet monthly for one year beginning in December 1993. Meetings will be on the second Wednesday afternoon of each month in the Point Foundation's offices at 27 Gate Five Road, Sausalito, CA. The meetings will generally last approximately four hours.

The meeting will have a detailed agenda which will be submitted to the Board members one week prior to the meeting.

Each member is expected to regularly attend the meetings. Missing two consecutive meetings will constitute an automatic resignation from the Board. Missing Three of six consecutive meetings will constitute resignation.

## 4.0 Time Commitment

Membership on the point board will require an average of 10 - 12 hours per month during the initial years. This time commitment includes such activities as: fundraising, network development, attendance at events, and board meetings

## 5.0 Operations

Quarterly, the Executive Director will prepare a financial and operations report. The Board will review and approve the report.

## 6.0 Expenditure Review

The Board will review and approve all expenditures in excess of $50,000.

## 7.0 Primary Function

The Board will conceive and evangelize the future direction of the Point Foundation. This includes review and approval of grants made by Point, strategic project definition, definition and acquisition of strategic connections. Essentially, the board facilitates the evolution of Point by acting as a sounding board and strategic resource provider for the Executive Director.

It is worth noting that detailed involvement in operations is specifically not requested from the Board. The Point Foundation is in a transition that requires relatively strict lines of authority from the Board through the Executive Director to the staff. At some future time, an employee member of the board will be named.

## 8.0 Fundraising

As in all not for profit organizations, Point requires ongoing fundraising. The Directors participate in the planning and execution of fundraising activities. Planning includes the brainstorming and top level design of fundraising activities. Execution includes direct solicitation.

## 9.0 Benefits to the Directors

Point will reimburse all reasonable expenses associated with the performance of the Director's function. In some cases, Point will pay a modest salary. In other cases, Point will offer access to the pages of the magazine as compensation. In still other cases, no financial compensation will be offered.

Additional benefits include a lifetime subscription to the magazine and two copies of each publication.

The other pieces of 'compensation' are:

a. Access to the network of connections associated with membership on the Board
b. The ability to influence grant-giving, and
c. Credentials associated with this role at Point.

In each recruitment, specific attention will be paid and commitments made on the issue of compensation. Generally speaking compensation will not take the form of a financial reward.

Nonprofit organizations exist for the sake of their mission. Period.

What do we do?

We are a research organization devoted to expanding the effectiveness and awareness of our network. Our research network is composed of human beings who use and or provide information to a central pool. We use this pool of research to help members of our network to think for themselves about the way things fit together. We do this by providing access and evaluation devices that keep our network ahead of world-changing technologies and cultural trends. In short, we provide our network access to ideas and tools that is unavailable through other means. We communicate news from myriad fronts.

Why is this our mission?

Our research network includes decision makers, change agents, strategic thinkers, leaders and catalysts from all walks of political, academic, business, and social life. We believe that the effectiveness our members is contingent on a routine supply of information that challenges their assumptions or broadens their perspective. We believe that there is a deep relationship between the effectiveness of our members and the availability of hope, passion and optimism in the world.

The cumulative effect of our work is a world that is increasingly aware of its own interconnectedness.

What are our core Principles?

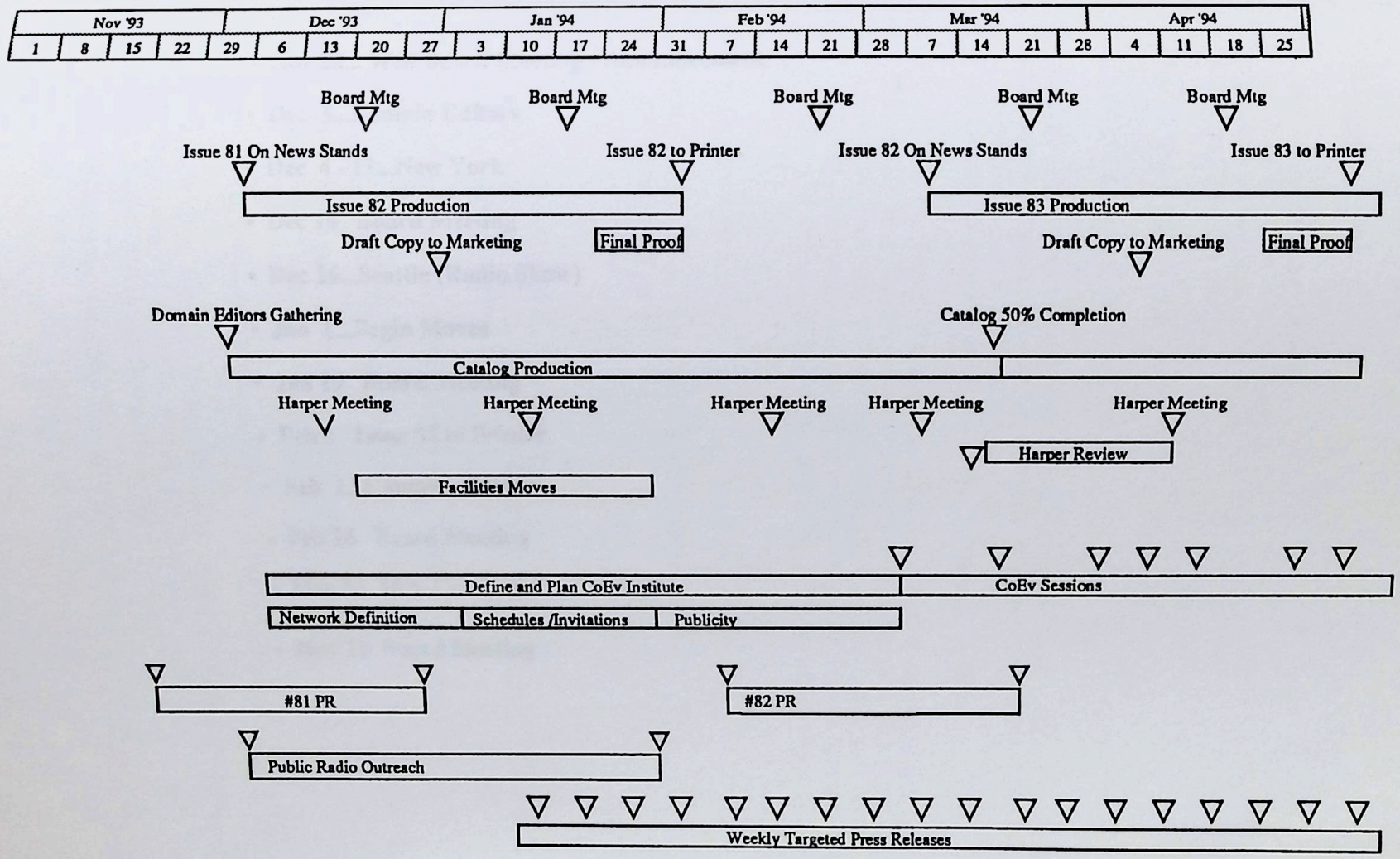
- Integrity
  - Editorial freedom / Eclecticism
  - Freedom from political or institutional dogma

- The expansion of human effectiveness - spiritual, social, political and technical
  - Questioning of the dominant cultural paradigm
  - Furthering of research
  - Communication of results, tools and useful ideas

- Comprehensive thought - the cultivation of deep generalists

- Democracy
  - Personal Responsiblity
  - The importance of diversity

# Implementation Plan




Point Board Meeting: Nov. 15, 1993

# Upcoming Events

- Nov 22... Well Board Meeting / Announcement
- Dec 3...Domain Editors
- Dec 4 - 11...New York
- Dec 15 Board Meeting
- Dec 16...Seattle (Radio Show)
- Jan 1...Begin Moves
- Jan 19 Board Meeting
- Feb 1 Issue 82 to Printer
- Feb 1...Complete Moves
- Feb 16 Board Meeting
- Mar 15 50% Completion...Catalog
- Mar 16 Board Meeting

WHOLE EARTH REVIEW
ACCESS TO TOOLS AND IDEAS

December 3, 1993

Office of the Attorney General
Charitable Trust Enforcement Unit
455 Golden Gate Ave, Sixth Floor
San Francisco, CA 94102

Re: Point Foundation

To whom it may concern,

The Point Foundation notifies your office, pursuant to section 5913 of the California Corporations Code, of its intention to sell it's 50% ownership stake in the Whole Earth 'Lectronic Link (aka the WELL) on or after Dec 26, 1993. This action was approved at the November 1993 meeting of the foundation's Board of Trustees.

The WELL is an experiment in electronic community co-founded by Point and a partner in 1986. Employing 20, with annual revenue of approximately $1.5 Million, the WELL is an electronic conferencing and messaging service (an electronic Bulletin Board). To date, the WELL's growth has been limited, by direction of its joint owners, to the reinvestment of earnings. The WELL has never paid a dividend to its owners, all earnings have been reinvested.

The purchaser is:

The Rosewood Stone Group or its owner Bruce R.Katz
1505 Bridgeway, Suite 201
Sausalito, CA 94965

The Rosewood Stone Group, a company owned by Mr. Katz, is the current owner of the other 50% of the WELL's stock having purchased their share for $175,000 in 1990. The stock was purchased from NETI, Inc., the original owner.

The Point Foundation was founded as a philanthropic institution in 1972. It's original purpose was:

a. to provide low dollar, high leverage grants for experiments in community and Whole Systems;
b. to publish a quarterly periodical that provides "Access to Tools"
c. to publish the "Whole Earth Catalog" on a periodic basis

The sale of the WELL stock will enable Point to better serve to its original purposes.

The funds resulting from this transaction will be expended in the following manner:

a. Reestablishment of a general grant fund -- $400,000
b. Rehabilitation and facilities improvements -- $100,000

27 Gate Five Road, Sausalito, CA 94965 Phone: 415/332-1716. Fax: 415/332-3110. E-mail: wer@well.sf.ca.us

PRINTED ON RECYCLED PAPER

c. Working Capital -- $250,000

The sales price of $750,000 was established by multiplying 1993's forecast retained earnings by a factor of eight. Therefore, the total value of the WELL is $1,500,000. This price represents fair market value, is agreeable to both parties to the sale and was reached in an arm's length negotiation. It represents more than a fourfold increase in value from the 1990 transaction in which Rosewood Stone bought an identical stake in the WELL.

The Foundation will obtain a written appraisal by a certified business appraiser, verifying the sales price, before consumating the transaction.

The WELL's book value is $599,000. The decision to base valuation on earnings was rooted in the recognition that the WELL is a service business poised for growth. Rosewood Stone has made a commitment to provide the WELL a much needed capital infusion following completion of this transaction.

Additional terms of the sale include:

a. The provision of free accounts on the WELL to the Point Foundation staff associates and founders
b. The inclusion of a Point representative on the WELL's Board of Directors;
c. Non-exclusive rights for the WELL to publish POINT publications electronically;

This transaction has been carefully crafted to ensure that the best interests of the POINT Foundation and its successful experiment, the WELL, are served over the long term.

The sale will be formalized on or after Dec 26th , 1993

If you have any questions, please contact me.

Sincerely,

John R. Sumser
Executive Director, The Point Foundation
(for the Board)

Attachments

1. Copy of resolution of Board of Directors approving the sale
2. Foundation's 1992 Financial Statement
3. Foundation's Articles of incorporation
4. Copy of Foundations Latest Form CT-2 filing
5. Draft Stock purchase agreement for 50% interest in the WELL

November 18, 1993

Resolved that John Sumser (the Executive Director) may proceed with the sale of the Well with the following condition. A certified business appraisal verifying the sales price must be obtained prior to the sale. Following receipt of the appraisal, a phone poll of the Directors will be conducted to finalize this approval.

Signed
John Sumser
Secretary

Signed
Marly Norris
Witness

Signed
Gaetano Maida
Board of Directors

**Fiancial Statement for WER**

| G/L # 1992 | Actuals 1st Qtr 1992 | Actuals 2nd Qtr 1992 | Actuals 3rd Qtr 1992 | Actuals 4th Qtr 1992 | Actuals Totals for 1992 | FINAL Totals for 1991 | Change 1992 vs 1991 |
|---|---|---|---|---|---|---|---|
| **Balance Sheet at End of Period** | | | | | | | |
| ***Assets*** | | | | | | | |
| Cash | 70,980.79 | 45,731.59 | 11,442.40 | 20,128.12 | 20,128.12 | 46,855.50 | (26,727.38) |
| Accounts Receivable | 82,451.41 | 72,007.88 | 88,073.82 | 80,909.62 | 80,909.62 | 84,522.71 | (3,613.09) |
| Inventory | 3,719.00 | 5,152.00 | 5,040.00 | 6,582.00 | 6,582.00 | 1,575.00 | 5,007.00 |
| Fixed Assets Less Depreciation | 17,621.13 | 17,256.93 | 17,740.25 | 16,571.25 | 16,571.25 | 17,922.98 | (1,351.73) |
| Other Assets | 40,409.10 | 40,008.10 | 40,350.70 | 41,803.70 | 41,803.70 | 40,808.10 | 995.60 |
| **Total Assets** | 215,181.43 | 180,156.50 | 162,647.17 | 165,994.69 | 165,994.69 | 191,684.29 | (25,689.60) |
| ***Liabilities*** | | | | | | | |
| Accounts and Contracts Payable | 68,983.20 | 72,642.77 | 86,838.24 | 77,650.23 | 77,650.23 | 47,173.53 | 30,476.70 |
| Subscription Liability | 516,741.00 | 494,440.00 | 473,708.00 | 501,077.90 | 501,077.90 | 524,974.00 | (23,896.10) |
| **Total Liabilites** | 585,724.20 | 567,082.77 | 560,546.24 | 578,728.13 | 578,728.13 | 572,147.53 | 6,580.60 |
| **Fund Balance** | (370,542.77) | (386,926.27) | (397,899.07) | (412,733.44) | (412,733.44) | (380,463.24) | (32,270.20) |
| **Income & Expenses** | | | | | | | |
| ***Income*** | | | | | | | |
| Subscription Income | 123,589.39 | 115,824.22 | 116,015.14 | 119,950.42 | 475,379.17 | 413,584.41 | 61,794.76 |
| Back Issue & Single Copy Sales | 4,322.94 | 2,434.53 | 2,244.87 | 5,585.71 | 14,588.05 | 15,789.60 | (1,201.55) |
| Newsstand Sales (after Returns) | 49,133.88 | 51,431.70 | 54,769.54 | 40,582.37 | 195,917.49 | 173,566.32 | 22,351.17 |
| Book & Product Sales | 5,497.05 | 2,415.51 | 4,267.55 | 20,964.68 | 33,144.79 | 25,903.37 | 7,241.42 |
| Royalties | 1,729.91 | 346.08 | 1,371.65 | 0.00 | 3,447.64 | 15,181.38 | (11,733.74) |
| List Rental | 2,661.14 | 2,035.17 | 6,630.10 | 4,220.14 | 15,546.55 | 19,716.53 | (4,169.98) |
| Unclassifieds | 3,499.00 | 2,792.50 | 2,685.02 | 1,551.75 | 10,528.27 | 8,551.97 | 1,976.30 |
| Contributions | 4,533.00 | 4,228.00 | 4,370.00 | 11,723.00 | 24,854.00 | 15,954.86 | 8,899.14 |
| Other Income | 1,548.44 | 411.85 | 3,238.62 | 6,965.85 | 12,164.76 | 32,822.94 | (20,658.18) |
| **Total Income** | 196,514.75 | 181,919.56 | 195,592.49 | 211,543.92 | 785,570.72 | 721,071.38 | 64,499.34 |
| ***Expenses*** | | | | | | | |
| Payroll & Related Expenses | 90,493.43 | 103,025.68 | 111,449.86 | 112,404.82 | 417,373.79 | 335,096.57 | 82,277.22 |
| Printing WER | 29,337.60 | 26,662.46 | 24,839.71 | 24,304.52 | 105,144.29 | 114,745.61 | (9,601.32) |
| Writers & Illustrators | 5,305.00 | 8,345.00 | 6,445.70 | 6,700.00 | 26,795.70 | 27,570.00 | (774.30) |
| Editorial/Production Expenses | 4,043.75 | 471.90 | 2,359.02 | 880.71 | 7,755.38 | 11,731.31 | (3,975.93) |
| Fulfillment/Promotion Expenses | 25,914.33 | 24,805.01 | 30,747.23 | 34,350.36 | 115,816.93 | 91,160.85 | 24,656.08 |
| Newsstand Expenses | 5,913.51 | 6,872.66 | 5,265.81 | 4,828.27 | 22,880.25 | 24,289.77 | (1,409.52) |
| Book & Product Sales Expenses | 1,159.38 | 2,528.68 | 2,873.84 | 15,969.08 | 22,530.98 | 17,560.85 | 4,970.13 |
| Rent, Maintenance & Utilites | 13,750.82 | 12,869.40 | 14,340.90 | 15,363.23 | 56,324.35 | 51,326.56 | 4,997.79 |
| Insurance & Taxes | 221.50 | 1,262.50 | 1,363.04 | 2,734.00 | 5,581.04 | 4,214.83 | 1,366.21 |
| Office & Computer Supplies | 4,669.71 | 4,432.02 | 4,120.85 | 1,825.41 | 15,047.99 | 9,649.39 | 5,398.60 |
| Depreciation | 1,840.00 | 1,968.00 | 2,169.00 | 2,169.00 | 8,146.00 | 9,045.92 | (899.92) |
| Postage & Phone | 3,717.70 | 3,489.40 | 3,208.20 | 4,360.22 | 14,775.52 | 16,466.64 | (1,691.12) |
| Other Expenses | 227.55 | 1,570.35 | (2,617.87) | 488.67 | (331.30) | 41,310.11 | (41,641.41) |
| **Total Expenses** | 186,594.28 | 198,303.06 | 206,565.29 | 226,378.29 | 817,840.92 | 754,168.41 | 63,672.51 |
| **Net Change in Fund Balance** | 9,920.47 | (16,383.50) | (10,972.80) | (14,834.37) | (32,270.20) | (33,097.03) | 826.83 |
| Change w/o add'l Mgmt O/H | | | | | 1,694.80 | (21,097.03) | 22,791.83 |

These are the totals as of 4/5/93

FORM **CT – 2** (REV. 6-92)

MAIL TO:
Registry of Charitable Trusts
P.O. Box 903447
Sacramento, CA 94203-4470
Telephone (916) 445-2021

# PERIODIC REPORT

COPY

TO ATTORNEY GENERAL OF CALIFORNIA
Section 12586, California Government Code

Failure to file this report by the 15th day of the fifth month after the close of your accounting period may result in the loss of your tax exemption and the assessment of a minimum tax of $800 plus interest.

ACCOUNTING PERIOD — For the Year Beginning 1/1, 19 92 and Ending 12/31, 19 93

If address changed check here . . . ▶ ☐ and show changes below ▼

State Charity registration number CT

File Form with label. Otherwise, print or type.

Name of organization
10497 YEAR ENDED DEC 31,1992 L
POINT
27 GATE 5 ROAD
SAUSALITO CA 94965

Corporate or Organization No.

| | Yes | No |
|---|---|---|
| A. Is the organization exempt from federal income tax? | X | |
| B. If "no", is this entity a split-interest trust? If "no", attach explanation; see instructions. | | X |

**PART I FILING REQUIREMENTS: CHECK ONE BOX AND ATTACH THE REQUIRED IRS FORMS**

☒ This entity is **not** a private foundation. **We have attached** a completed copy of IRS Form 990 or 990EZ, and Schedule A (Form 990) and related attachments (even though we may not be required to file these uniform forms with the IRS). Omit Part III below.

☐ This entity is a private foundation. **We have attached** a completed copy of IRS Form 990-PF and related attachments. Complete all Parts below.

**PART IA ACTIVITIES**

Gross receipts $ 785,571 Total assets $ 162,165

| | Yes | No |
|---|---|---|
| Are the program activities of this entity limited solely to grantmaking? | | X |

**PART II STATEMENTS REGARDING THIS ORGANIZATION DURING THE PERIOD OF THIS REPORT**

| | | Yes | No |
|---|---|---|---|
| 1 Was 50% or more of your total revenue from government agencies? (See line 1 instructions) If "yes", attach a schedule showing the agency(s) name, address, purpose of the grant or payments and the amounts. List only two different government agencies that provide the largest amounts. | 1 | | X |
| 2 Were you audited by any government agency which resulted in audit exceptions in excess of $50,000 being taken? If "yes", attach a copy of the audit report(s), and enter here the total amount involved 2a $ | 2 | | X |
| 3 Did or will an independent public accountant issue a report on your financial statements? If "yes", enter here: Accountant's Name Telephone ( ) | 3 | | X |
| 4 Is any of your property held in the name of or commingled with the property of any other organization or person, other than pooled investment funds? If "yes", attach justification, including value of assets commingled. | 4 | | X |
| 5 Were there any contracts, loans, leases or other financial transactions between the organization and any officer, director or trustee thereof either directly or with an entity in which any such officer, director or trustee had any financial interest? If "yes", attach a detailed explanation and enter here the total amount involved 5a $ | 5 | | X |
| 6 Did you donate anything to an organization that is not tax-exempt under Section 501 (c) (3) or 501 (c) (4) of the IRC? If "yes", attach explanation and enter here the fair market value of the donation 6a $ | 6 | | X |
| 7 Did this organization regularly solicit salvage, sell salvage in a thrift store, or was it a party to a contract involving the solicitation or sale of salvage? If "yes", include amounts on Form 990, line 10. | 7 | | X |
| 8 Were you or any of your officers, directors or trustees a party to any court action in which there was an alleged breach of trust? If "yes", attach explanation. | 8 | | X |
| 9 Were any organization funds used to pay any penalty, fine or judgment? If "yes", attach an explanation and enter here the total amount involved 9a $ | 9 | | X |

COPY

*Under penalties of perjury, I declare that I have examined this report, including accompanying documents, schedules and statements, and to the best of my knowledge and belief, it is true, correct and complete.*

Signature of authorized officer (See instructions) | Printed Name: JOHN R SUMSOR | Title: EXECUTIVE DIRECTOR | Date: 4-11-93

| | | Yes | No |
|---|---|---|---|
| Did you receive $10,000 or more in direct public support (Form 990, line 1 (a) or included in Form 990-PF, Part I, line 1)? | 10 | X | |
| If "yes", enter the following amounts: | | | |
| (a) Support from the general public, contributions from individuals | 10a 24,854 | | |
| (b) Foundation and trust grants, gifts, contributions | 10b | | |
| (c) Corporate and other business grants, gifts, contributions | 10c | | |
| (d) Bequests from wills and estates | 10d | | |
| (e) **Total direct public support** (add lines a through d. Should equal Form 990, line 1(a)) | 10e 24,854 | | |
| Did you contract with or use the services of an independent professional fundraiser-consultant? If "yes", complete Part IV (Form CT-2). | 11 | | X |
| Did your invested assets total $50,000 or more? If "yes", complete Part V (Form CT-2) (See line 12 instructions) | 12 | | X |
| Did you receive any income from any bingo game? | 13 | | X |
| If "yes", enter here and on Form 990, line 9a, the gross receipts obtained from the bingo games before deductions for costs or prizes, whether or not all gross receipts were received by your organization. | 13a $ | | |
| Employee compensation of the five highest paid employees: | | | |
| (a) Did any individual employee receive salary plus employer contribution to employee benefit plans, expense account or other allowance in excess of $100,000? | 14a | | X |
| (b) Other than salary, was compensation, bonuses or other benefits not listed in (a) above of $10,000, or more, paid any employee? | 14b | | X |
| (c) Did any employee receive the benefit of a residence for personal use which was owned or leased by the organization? | 14c | | X |
| (d) Did the organization lease, rent or purchase any equipment, property, or facility to or from an employee or any business entity in which the employee had any financial interest? | 14d | | X |
| If "yes", enter here the total amount involved | 14d $ | | |
| (e) Did the organization make any loans in excess of $5,000 to any employee? | 14e | | X |
| If any of questions 14(a), (b), (c), (d), or (e) are answered "yes", attach specific details to fully explain any "yes" response and fully complete Part I, Schedule A (Form 990). | | | |
| Did you make payments totalling over $10,000 to any independent consultants or contractors other than for (a) fundraising, (b) accounting, (c) legal fees, (d) investment fees? | 15 | X | |
| If "yes", attach a fully completed schedule, like Part II of Schedule A (Form 990) for the five highest paid regardless of the amounts. Enter here the total of all payments to all independent contractors. | 15a $ 34,001 | | |

If you incurred or paid any of the following taxes and/or related penalties, enter the amounts in the blanks provided.

| | | Tax | Penalty |
|---|---|---|---|
| a Payroll (employer's portion of both federal and state) | 16a | 30,258 | |
| b Sales (on items you sold) | 16b | 2,734 | |
| c Personal Property | 16c | 416 | |
| d Real Estate | 16d | | |
| e Unrelated Business Income | 16e | 951 | |

| | | Yes | No |
|---|---|---|---|
| Were you named as a beneficiary to receive a portion of commercial transactions (commercial co-ventures, joint venture marketing, or cause-related marketing)? | | | ✓ |
| If "yes", enter here the gross amount received | 17a $ 0 | | |

(Do not currently in use)

## RT III ADDITIONAL INFORMATION FROM PRIVATE FOUNDATIONS ONLY

| | | Yes | No |
|---|---|---|---|
| Did you file a Form 4720 with the Internal Revenue Service? | 31 | | X |
| If "yes", attach a copy of Form 4720 and enter here the amount of total taxes paid with that return | 31a | | |

2–39 not currently in use)

## ART IV INDEPENDENT PROFESSIONAL FUNDRAISER-CONSULTANT (IPF) (SEE QUESTION 11) N/A

| | EVENT # 1 | EVENT # 2 | EVENT # 3 ** | TOTAL |
|---|---|---|---|---|
| 0 Brief Description of Campaign, Drive or Event | | | | |
| 1 Date or Period Covered | | | | |
| 2 Name of IPF | | | | |
| 3 Address of IPF | | | | |
| 4 Total Public Donations * | | | 44 | |
| 5 All Payments to IPF | | | 45 | — |
| 6 All Other Fund-Raising Expenses | | | 46 | — |
| 7 Net Proceeds (Line 44 Less 45 and 46) | | | 47 | |

8–59 not currently in use) * On line 44, do not deduct any costs from gross donations.

** NOTE: If more than three events, attach a schedule using the same format and include amounts in Part IV totals.

## RT V SUMMARY OF INVESTMENTS TOTALING $50,000 OR MORE (SEE QUESTION 12) N/A

| | | |
|---|---|---|
| Securities, beginning of year at cost (990, line 54(A) or 990-PF, Part II, lines 10a–c and 12 column (a) | 60 | |
| Securities acquired, at cost or original basis | 61 | |
| Securities sold, at cost or original basis (may include sales expenses) | 62 | — |
| Securities, end of year at cost (990, line 54(B) or 990-PF, Part II, lines 10a–c and 12 column (b) | 63 | |
| Securities, end of year at market value | 64 | |
| Sum of all gains on sales during the year | 65 | |
| Sum of all losses on sales during the year | 66 | — |
| Dividends and interest from securities (990, line 5 or 990-PF, Part I, line 4(A)) | 67 | |
| Total return realized (line 65 less line 66, plus line 67) | 68 | |
| Less investment counsel fees | 69 | — |
| Net return realized from investments in securities (line 68 less line 69) | 70 | |

| This organization engaged in, purchased, sold or held during the year: | | Yes | No |
|---|---|---|---|
| Investments (any type) which produce no current income? | 71 | | |
| Investments (any type) worth one half or less of original basis? | 72 | | |
| Securities on margin? | 73 | | |
| Warrants, puts, calls, options, commodity futures, or short sales? | 74 | | |
| Stocks rated "Speculative Grade" by Moody's, or ranked "B–" or lower by Standard & Poor's? | 75 | | |
| Securities not publicly traded? | 76 | | |
| Municipal bonds or similar tax-exempt securities which yield less than taxable securities? | 77 | | |
| Stock in which an officer, director or trustee owns 10% or more of the outstanding shares? | 78 | | |

**"Yes" on any line from 71 through 78, attach a full explanation.**

## RT III ADDITIONAL INFORMATION FROM PRIVATE FOUNDATIONS ONLY

| | | Yes | No |
|---|---|---|---|
| Did you file a Form 4720 with the Internal Revenue Service? | | | X |
| If "yes", attach a copy of Form 4720 and enter here the amount of total taxes paid with that return | 31 | | |
| -39 not currently in use) | 31a | | |

## T IV INDEPENDENT PROFESSIONAL FUNDRAISER-CONSULTANT (IPF) (SEE QUESTION 11) N/A

| | EVENT # 1 | EVENT # 2 | EVENT # 3 ** | TOTAL |
|---|---|---|---|---|
| rief Description of Campaign, Drive or Event | | | | |
| ate or Period Covered | | | | |
| ame of IPF | | | | |
| ddress of IPF | | | | |
| tal Public Donations * | | | | |
| Payments to IPF | | | 44 | |
| Other Fund-Raising Expenses | | | 45 | |
| t Proceeds (Line 44 Less 45 and 46) | | | 46 | |
| | | | 47 | |

not currently in use) * On line 44, do not deduct any costs from gross donations.

** NOTE: If more than three events, attach a schedule using the same format and include amounts in Part IV totals.

## V SUMMARY OF INVESTMENTS TOTALING $50,000 OR MORE (SEE QUESTION 12) N/A

| | | |
|---|---|---|
| urities, beginning of year at cost (990, line 54(A) or 990-PF, Part II, lines 10a-c and 12 column (a) | 60 | |
| urities acquired, at cost or original basis | 61 | |
| urities sold, at cost or original basis (may include sales expenses) | 62 | |
| urities, end of year at cost (990, line 54(B) or 990-PF, Part II, lines 10a-c and 12 column (b) | 63 | |
| urities, end of year at market value | 64 | |
| of all gains on sales during the year | 65 | |
| of all losses on sales during the year | 66 | |
| dends and interest from securities (990, line 5 or 990-PF, Part I, line 4(A)) | 67 | |
| l return realized (line 65 less line 66, plus line 67) | 68 | |
| investment counsel fees | 69 | |
| return realized from investments in securities (line 68 less line 69) | 70 | |

organization engaged in, purchased, sold or held during the year:

| | | Yes | No |
|---|---|---|---|
| tments (any type) which produce no current income? | 71 | | |
| tments (any type) worth one half or less of original basis? | 72 | | |
| ities on margin? | 73 | | |
| nts, puts, calls, options, commodity futures, or short sales? | 74 | | |
| s rated "Speculative Grade" by Moody's, or ranked "B−" or lower by Standard & Poor's? | 75 | | |
| ities not publicly traded? | 76 | | |
| ipal bonds or similar tax-exempt securities which yield less than taxable securities? | 77 | | |
| in which an officer, director or trustee owns 10% or more of the outstanding shares? | 78 | | |

s" on any line from 71 through 78, attach a full explanation.

## PART III ADDITIONAL INFORMATION FROM PRIVATE FOUNDATIONS ONLY

31 Did you file a Form 4720 with the Internal Revenue Service? . . . . . 31 | Yes: | No: X |

If "yes", attach a copy of Form 4720 and enter here the amount of total taxes paid with that return . . . . . 31a

(32–39 not currently in use)

## PART IV INDEPENDENT PROFESSIONAL FUNDRAISER-CONSULTANT (IPF) (SEE QUESTION 11) N/A

| | EVENT # 1 | EVENT # 2 | EVENT # 3 ** | TOTAL |
|---|---|---|---|---|
| 40 Brief Description of Campaign, Drive or Event | | | | |
| 41 Date or Period Covered | | | | |
| 42 Name of IPF | | | | |
| 43 Address of IPF | | | | |
| 44 Total Public Donations * | | | 44 | |
| 45 All Payments to IPF | | | 45 | |
| 46 All Other Fund-Raising Expenses | | | 46 | |
| 47 Net Proceeds (Line 44 Less 45 and 46) | | | 47 | |

(48–59 not currently in use) * On line 44, do not deduct any costs from gross donations.

** NOTE: If more than three events, attach a schedule using the same format and include amounts in Part IV totals.

## PART V SUMMARY OF INVESTMENTS TOTALING $50,000 OR MORE (SEE QUESTION 12) N/A

60 Securities, beginning of year at cost (990, line 54(A) or 990-PF, Part II, lines 10a–c and 12 column (a) . . . . . 60

61 Securities acquired, at cost or original basis . . . . . 61

62 Securities sold, at cost or original basis (may include sales expenses). . . . . 62

63 Securities, end of year at cost (990, line 54(B) or 990-PF, Part II, lines 10a–c and 12 column (b) . . . . . 63

64 Securities, end of year at market value . . . . . 64

65 Sum of all gains on sales during the year . . . . . 65

66 Sum of all losses on sales during the year. . . . . 66

67 Dividends and interest from securities (990, line 5 or 990-PF, Part I, line 4(A)). . . . . 67

68 Total return realized (line 65 less line 66, plus line 67) . . . . . 68

69 Less investment counsel fees . . . . . 69

70 Net return realized from investments in securities (line 68 less line 69). . . . . 70

| Was this organization engaged in, purchased, sold or held during the year: | | Yes | No |
|---|---|---|---|
| Investments (any type) which produce no current income? . . . . . | 71 | | |
| Investments (any type) worth one half or less of original basis? . . . . . | 72 | | |
| Securities on margin? . . . . . | 73 | | |
| Warrants, puts, calls, options, commodity futures, or short sales? . . . . . | 74 | | |
| Stocks rated "Speculative Grade" by Moody's, or ranked "B–" or lower by Standard & Poor's? . . . . . | 75 | | |
| Securities not publicly traded? . . . . . | 76 | | |
| Municipal bonds or similar tax-exempt securities which yield less than taxable securities? . . . . . | 77 | | |
| Stock in which an officer, director or trustee owns 10% or more of the outstanding shares? . . . . . | 78 | | |

**If "yes" on any line from 71 through 78, attach a full explanation.**

11/24
10 page

# STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (the "Agreement") is entered into as of November ___, 1993 by and between the Rosewood Stone Group, Inc., a California corporation ("Buyer"), and Point, a California nonprofit corporation ("Seller" or "Point").

WHEREAS, the issued and outstanding stock of Whole Earth Lectronic Link, a California corporation ("the Well"), consists of 10,000 shares of common stock, of which 5,000 are held by Seller and 5,000 are held by Buyer; and

WHEREAS, Seller wishes to sell and Buyer wishes to purchase all of the stock held by Seller ("the Shares") under the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises contained herein and other good and valuable consideration, the parties hereby covenant and agree as follows:

## ARTICLE I. PURCHASE AND SALE OF STOCK.

1.1 Purchase and Sale of Stock. Subject to the terms and conditions set forth in this Agreement, on December ___, 1993, or such other date as agreed upon by the parties (the "Closing Date"), Seller shall sell to Buyer and Buyer shall purchase from Seller all of the Shares held by Seller. At the Closing (as defined below), Seller will sell, assign, transfer, and deliver the Shares to the Buyer.

1.2 Purchase Price. As consideration for the Shares, Buyer shall pay to Seller at the Closing $150.00 per share, for an aggregate purchase price of Seven Hundred and Fifty Thousand Dollars ($750,000.00) (the "Purchase Price".)

1.3 Closing. The purchase and sale of the Shares shall take place at Buyer's offices, 1505 Bridgeway, Suite 201, Sausalito, California. The "Closing" shall mean the deliveries to be made by Buyer and Seller on the Closing Date in accordance with this Agreement.

## ARTICLE II. REPRESENTATIONS AND WARRANTIES.

2.1 Buyer's Representations and Warranties. Buyer is a corporation duly organized, validly existing and in good standing under the laws of the State of California and has all requisite power and authority to enter into this Agreement and the Nonexclusive License Agreement and Right of First Refusal,

attached hereto as Exhibit A, (referred to collectively as the "Sale Agreements") perform its obligations under the Sale Agreements and consummate the transactions contemplated by the Sale Agreements. All necessary or appropriate corporate action has been taken by Buyer with respect to the execution and delivery of the Sale Agreements. The Sale Agreements constitute valid and binding obligations of the Buyer, enforceable in accordance with their terms except to the extent limited by bankruptcy, insolvency, reorganization, moratorium, or similar laws affecting creditors' rights generally or by general equitable principles.

2.2 Seller's Representations and Warranties. Seller, through its Board of Directors and its officers, hereby represents and warrants as follows:

(a) Authorization. Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of California and has all requisite power and authority to enter into the Sale Agreements, perform its obligations under the Sale Agreements and consummate the transactions contemplated by the Sale Agreements. All necessary or appropriate corporate action has been taken by Seller with respect to the execution and delivery of the Sale Agreements. The Sale Agreements constitute valid and binding obligations of the Seller, enforceable in accordance with their terms except to the extent limited by bankruptcy, insolvency, reorganization, moratorium, or similar laws affecting creditors' rights generally or by general equitable principles.

(b) Shares. The Shares are validly issued, fully paid, nonassessable, and free and clear of any liens, claims, charges or encumbrances of any kind whatsoever. Except for this Agreement and the Right of First Offer (as hereinafter defined), there are no outstanding options, rights, or agreements of any kind relating to the issuance, sale or transfer of the Shares. The "Right of First Offer" is the right to purchase the Shares granted by Seller to Buyer in Section 6.01 of that Stock Purchase Agreement, dated as of July 3, 1991, between Seller and Buyer.

(c) No Conflict. The execution and delivery of the Sale Agreements by Seller, and the consummation of the transactions contemplated therein will not result in a breach of or default under any agreement, document, or obligation to which Seller is a party, or violate any judgment, order, decree, rule or regulation of any court or governmental agency to which Seller is subject.

(d) Corporate Existence of the Well. To the best of Seller's knowledge, the Well is a corporation duly organized, validly existing and in good standing under the laws of the State

of California and has all requisite power and authority to engage in and transact its business as it currently operates. To the best of Seller's knowledge, the Well owns all of the property and assets that it utilizes and that are necessary in the operation of the business, is in compliance with all governmental requirements pertaining to its business, and has been granted all licenses, permits, authorizations and approvals from all appropriate governmental bodies necessary or desirable in connection with the operation of its business.

(e) Undisclosed Liabilities or Litigation. To the best of Seller's knowledge, the Well has no material absolute or contingent liabilities or obligations, except liabilities and obligations incurred in transactions in the ordinary and usual course of the Well's business which are properly reflected on the books and records of the Well. To the best of Seller's knowledge, there is no claim, litigation, action, suit or proceeding against the Well at law or in equity, before any court or other governmental agency or authority, nor is there any basis upon which any such claim, litigation, action, suit or proceeding could reasonably be initiated.

(f) Taxes. All taxes, interest and penalties, imposed by the federal government and by all other taxing authorities, which could result in the imposition of a lien, claim or encumbrance on any of the assets of the Well or against Buyer, other than taxes which are not yet due and payable, have been paid in full. All tax returns required to be filed have been accurately prepared and duly and timely filed and all deposits required by law have been made. Neither Seller nor the Well has any actual, proposed or assessed tax, deficiency or claim outstanding, and there is no basis for any such deficiency or claim. The foregoing representations and warranties in this Section 2.2(f) are made to the best of Seller's knowledge. Seller represents and warrants that it will file all returns or reports required, including returns or reports required of nonprofit organizations, and will pay any taxes due or owing by Seller, as a result of the transaction contemplated by this Agreement.

(g) Financial Statements. To the best of Seller's knowledge, the financial statements of the Well conform to generally accepted accounting principles, have been prepared from and are in accordance with the books and records of the Well, and fairly present the financial position and results of operations of the Well at the dates and for the periods to which they apply and include all adjustments necessary to make such a fair presentation. Since the date of the financial statements, no material change, financial or otherwise, has occurred in connection with the business of the Well, and no occurrence is reasonably expected to result in adverse change.

(h) Complete Disclosure. Seller has disclosed all material facts to Buyer which could affect the transactions contemplated by this Agreement or the value of the Shares and has not omitted to state a material fact necessary in order to make the statement made not misleading. No representation or warranty made by Seller in this Agreement or other writing furnished to Buyer by or on behalf of Seller pursuant to this Agreement, or in connection with the transactions contemplated hereby, contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements herein and therein not misleading.

## ARTICLE III. COVENANTS.

3.1 Seller's Covenant Not to Compete. In recognition of the fact that the sale of the Shares to Buyer hereunder includes the sale of goodwill, Seller and its Affiliates (as hereinafter defined) shall not, for a period of ____ years following the Closing Date (i) engage in the business of providing, for value, subscriptions or memberships for access to electronic messaging or conferencing services; (ii) divert or attempt to divert from the Well any business of any kind in which the Well is engaged as of the Closing Date; or (iii) induce or attempt to induce any person or entity who is then an employee, vendor, customer or representative of the Well, or any other person or entity having a contractual relationship with the Well, to terminate or alter his or its relationship with the Well, except with the written consent of the Well. Notwithstanding the provisions of this section, Seller shall continue to have the right to electronically publish and distribute Seller's publications through online services other than the Well.

3.2 Buyer's Covenant Not to Compete. Buyer and its Affiliates shall not, for a period of ____ years following the Closing Date (i) engage, directly or indirectly, in the business of paper magazine or catalog publication; (ii) divert or attempt to divert from Seller any of Seller's subscribers or divert or attempt to divert contributors from Seller's publications; or (iii) induce or attempt to induce any person or entity who is then an employee, vendor, customer or representative of Seller, or any other person or entity having a contractual relationship with Seller, to terminate or alter his or its relationship with Seller, except with the written consent of Seller. Notwithstanding the provisions of this section, Buyer shall have the right to purchase, acquire, or own up to ten percent (10%) of the stock of any publicly traded company engaging in the business of paper magazine or catalog publication. "Affiliate" shall mean any person, firm, corporation or other entity in which the specified person is a direct or indirect shareholder, partner, or joint venturer.

3.3 Covenants Against Disclosure. Seller shall neither 1) disclose to any person, association, firm, corporation or other entity (other than Buyer or those designated in writing by Buyer) in any manner, directly or indirectly, any Confidential Information (as hereinafter defined) or data relevant to the operation of the Well, whether of a technical or commercial nature, nor 2) use, or permit or assist, by acquiescence or otherwise, any person, association, firm, corporation or other entity (other than Buyer) or those designated in writing by Buyer to use, directly or indirectly, any such information or data in any manner which reasonably would be deemed to be competitive with the operation of the business of the Well excepting only use of such information or data as is at the time generally known to the public and which did not become generally known through any breach of any provision of this Agreement by Seller. Seller shall take reasonable precautions to keep such information confidential. "Confidential Information" is nonpublic information that could have commercial value to an individual or entity if disclosed, excluding information which is published as of this date in any conferences on the Well.

3.4 Shareholder Vote. From the date of execution of this Agreement until the Closing Date, Seller agrees to vote all shares which it holds of record in favor of any proposals made by Buyer and shall instruct all directors associated with it to vote as directors in favor of all proposals made by Buyer. Seller agrees not to authorize or participate in any actions in connection with the Well that are outside the ordinary course of business of the Well except with the consent of Buyer.

3.5 Nonexclusive License; Right of First Refusal. On or before the Closing Date, Seller shall execute a Nonexclusive License Agreement and Right of First Refusal in favor of the Well, substantially in the form attached hereto as Exhibit A.

3.6 Approval of Attorney General. At least 20 days before the Closing Date, Seller shall give written notice to and request approval from the Attorney General pursuant to California Corporations Code Section 5913 regarding Seller's sale of the Shares. Seller shall use its best efforts to gain such approval.

3.7 Free Accounts. Buyer shall cause the Well to provide accounts on the Well to up to ____ Point employees, free of the Well connect charges (currently two dollars ($2.00) per hour), but not of network access charges or high speed connect charges, if any. In addition, Buyer shall cause the Well to provide discounted accounts to certain Point associates, as set forth in the schedule attached hereto as Exhibit B. The accounts established under this Section 3.7 shall be established at the direction of Seller and shall remain open for a term of ____ years.

3.8 Further Assurances. At or after the Closing Date, Seller and Buyer shall prepare, execute and deliver, at the other party's direction and at the appropriate party's expense, such further instruments, and shall take or cause to be taken such other or further action, as the other party shall reasonably request at any time or from time to time in order to consummate, in any other manner, the terms and provisions of this Agreement and shall use their best efforts in cooperation with each other to obtain all third-party and governmental consents, authorizations, or approvals.

**ARTICLE IV. CONDITIONS PRECEDENT.**

4.1 Conditions to Obligations of Buyer. Each and every obligation of Buyer to be performed at the Closing shall be subject to the satisfaction as of or before the Closing Date of the following conditions (unless waived in writing by Buyer or by implication by completion of the Closing):

(a) Representations and Warranties. Seller's representations and warranties set forth in Section 2.2 of this Agreement shall be true and correct at and as of the Closing Date.

(b) Performance of Agreement. All covenants, conditions and other obligations under this Agreement which are to be performed or complied with by Seller shall have been fully performed and complied with in all material respects at or prior to the Closing Date, including the delivery of the instruments and documents in accordance with Section 5.1.

(c) No Adverse Change. There shall have been no Material Adverse Change (as hereinafter defined) in the condition, financial or otherwise, or operations of the Well or any occurrence, circumstance or combination thereof which reasonably would be expected to result in any such Material Adverse Change between the execution of this agreement and the Closing Date. "Material Adverse Change" means a change that has the potential to reduce the Well's pretax profit by a minimum of fifty thousand dollars ($50,000.00).

(d) Approval of Attorney General. Seller shall have received the Attorney General's approval for the sale of the Shares.

(e) Certificate. Seller shall have delivered to Buyer a certificate executed by the Executive Director of Seller, dated the Closing Date, to the effect that the conditions set forth in subsections (a) through (d) of this Section 4.1, have been satisfied.

4.2 Conditions to Obligations of Seller. Each and every obligation of Seller to be performed at the Closing shall be subject to the satisfaction as of or before the Closing Date of the following conditions (unless waived in writing by Seller or by implication by completion of the Closing):

(a) Representations and Warranties. Buyer's representations and warranties set forth in Section 2.1 of this Agreement shall be true and correct at and as of the Closing Date.

(b) Performance of Agreement. All covenants, conditions and other obligations under this Agreement which are to be performed or complied with by Buyer shall have been fully performed and complied with in all material respects at or prior to the Closing Date, including the delivery of the Purchase Price and the instruments and documents in accordance with Section 5.2.

(c) Waiver of Right of First Offer. Buyer shall have delivered a letter to Seller in which it waives its Right of First Offer for the Shares as defined in Section 2.2(b) hereof.

(d) Approval of Attorney General. Seller shall have received the Attorney General's approval for the sale of the Shares.

(e) Certificate. Buyer shall have delivered to Seller at the Closing a certificate, dated the Closing Date, executed by Buyer to the effect that the conditions set forth in subsections (a) through (c) of this Section 4.2 have been satisfied.

## ARTICLE V. DELIVERIES AT CLOSING.

5.1 Deliveries by Seller. At or prior to the Closing Date, Seller shall deliver to Buyer, all duly and properly executed, the following:

(a) Certificates representing Seller's ownership of the Well's Stock.

(b) The certificate required by Section 4.1(e).

(c) Such other instruments that Buyer may reasonably deem necessary or appropriate in order to consummate, confirm or evidence the transactions contemplated by this Agreement.

5.2 Deliveries by Buyer. On or prior to the Closing Date, Buyer shall deliver to Seller, all duly and properly executed, the following:

(a) The Purchase Price by wire transfer or in the form of cashier's or official bank check payable to the order of Seller.

(b) The certificate required by Section 4.2(e).

(c) Such other instruments that Seller may reasonably deem necessary or appropriate to consummate, confirm or evidence the transactions contemplated by this Agreement.

## ARTICLE VI. TERMINATION.

6.1 Termination. This Agreement may be terminated prior to the Closing Date only:

(a) By mutual written consent of Buyer and Seller;

(b) By either Buyer or Seller, respectively, upon written notice to the other, if there has been a material breach of any representation, warranty, covenant or agreement contained in this Agreement or the willful failure to satisfy any of the applicable conditions set forth in Article IV on the part of Buyer or Seller.

6.2 Payment of Expenses. In the event of termination of this Agreement under Section 6.1(b), the breaching party shall pay all of the expenses (including attorneys' fees) of the nonbreaching party incurred in connection with the transactions contemplated by this Agreement.

## ARTICLE VII. MISCELLANEOUS PROVISIONS.

7.1 Entire Agreement; Amendments. This Agreement embodies the entire agreement of the parties and supersedes all prior or contemporaneous agreements. This Agreement may not be changed, amended, terminated, augmented, rescinded or discharged (other than by performance), in any way, except by a writing executed by both parties hereto.

7.2 Survival of Representations, Warranties and Agreements. All representations, warranties, covenants and agreements of Seller and Buyer made herein shall survive the execution, delivery and performance of this Agreement.

7.3 Binding Effect; Assignment. This Agreement and the rights and obligations arising hereunder shall inure to the benefit of and be binding upon the parties hereto and their Permitted Assigns (as hereinafter defined), but nothing herein is intended or shall be construed to give any person, firm,

corporation or legal entity, other than the parties hereto, any rights or benefits by reason of this Agreement. A "Permitted Assign" is Bruce R. Katz, any entity controlled by Bruce R. Katz, any entity controlled by Buyer, or any individual or entity to whom Buyer assigns this Agreement with Seller's consent

7.4 Interpretation. The headings inserted in this Agreement are for convenience only and are not a part of this Agreement. When appropriate, words used in the singular shall be construed to mean or include the plural and vice versa, and pronouns shall be deemed to include and designate the masculine, feminine or neuter gender. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

7.5 Severability. If any portion of this Agreement shall be determined to be invalid or unenforceable in a court of competent jurisdiction, the parties agree that such court shall have jurisdiction to reform such portion, if possible, and that the remainder of the Agreement shall be valid and enforceable to the maximum extent possible.

7.6 Remedies. The rights, powers and remedies of the parties hereto are in addition to and can be exercised concurrently or successively with all rights, powers and remedies given to such party under applicable laws. The Seller acknowledges that the Shares are unique and accordingly, in addition to all other remedies to which Buyer is entitled, Buyer shall have the right to enforce this Agreement by a decree of specific performance.

7.7 Governing Law; Venue; Attorneys' Fees. This Agreement shall be construed in accordance with and governed by the laws of the State of California. Each party consents to the jurisdiction and venue of any federal or state court in the State of California located in the counties of Marin or San Francisco. In the event that any legal proceeding is brought to enforce or interpret any of the provisions of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees whether or not the action or proceeding proceeds to final judgment.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

ROSEWOOD STONE GROUP, INC.

By_____
Title: _____

POINT

By_____
Title: _____

Whole Earth 'Lectronic Link
Income Statement
9/1/93 to 9/30/93

| | Period | % | Y-T-D | % |
|---|---|---|---|---|
| **Income** | | | | |
| Billed Fees | $ 154,913.31 | 99.2 | $ 1,316,289.34 | 96.9 |
| Other Billed Svcs | 6,764.65 | 4.3 | 55,472.52 | 4.1 |
| Billing and Account Adjusts | (5,539.98) | -3.5 | (13,871.86) | -1.0 |
| | 156,137.98 | 100.0 | 1,357,890.00 | 100.0 |
| **Direct Costs** | | | | |
| New Customer Startup Kits | 0.00 | 0.0 | 1,262.98 | 0.1 |
| Direct Phone Service Expense | 26,420.39 | 16.9 | 201,496.41 | 14.8 |
| Manuals Expense | 2,488.64 | 1.6 | 43,413.16 | 3.2 |
| | 28,909.03 | 18.5 | 246,172.55 | 18.1 |
| **Gross Margin** | 127,228.95 | 81.5 | 1,111,717.45 | 81.9 |
| **Indirect and General** | | | | |
| Staff Expense | 46,950.10 | 30.1 | 403,936.75 | 29.7 |
| Outside Services | 7,758.59 | 5.0 | 87,050.65 | 6.4 |
| Computer Indirect Expense | 4,514.73 | 2.9 | 35,692.83 | 2.6 |
| Customer Billing Svcs & Mail | 0.00 | 0.0 | 111.86 | 0.0 |
| Cust Support 800# Phone | 68.73 | 0.0 | 757.09 | 0.1 |
| Cust Support Misc Expense | 1,298.30 | 0.8 | 5,225.51 | 0.4 |
| Promotional Events & Materials | 375.00 | 0.2 | 5,681.50 | 0.4 |
| Network & BBS Subscriptions | 10.00 | 0.0 | 60.00 | 0.0 |
| Office Rent and Utilities | 3,536.49 | 2.3 | 32,133.98 | 2.4 |
| Computer Supplies and Software | 923.74 | 0.6 | 2,976.79 | 0.2 |
| Office Maint & Repairs | 160.00 | 0.1 | 1,615.86 | 0.1 |
| Office Supplies and Postage | 1,312.84 | 0.8 | 10,985.11 | 0.8 |
| Office Phones | 1,183.44 | 0.8 | 11,445.84 | 0.8 |
| Office Advertising | 0.00 | 0.0 | 1,624.48 | 0.1 |
| Office Equipment Rent | 21.72 | 0.0 | 514.59 | 0.0 |
| Office Outside Services | 1,160.50 | 0.7 | 1,788.75 | 0.1 |
| Insurance | 105.00 | 0.1 | 1,101.43 | 0.1 |
| Accounting Computer Services | 917.08 | 0.6 | 14,074.63 | 1.0 |
| License, Taxes & Dues | 0.00 | 0.0 | 3,894.25 | 0.3 |
| Bank Fees & Discounts | 3,606.58 | 2.3 | 29,718.96 | 2.2 |
| General Travel Expense | 0.00 | 0.0 | 1,574.67 | 0.1 |
| Meals & Entertainment | 141.25 | 0.1 | 2,313.60 | 0.2 |
| Board Related Expense | 0.00 | 0.0 | 1,417.20 | 0.1 |
| Legal & Accounting | 400.19 | 0.3 | 1,795.78 | 0.1 |
| Misc G & A Expense | 0.00 | 0.0 | 1,116.80 | 0.1 |
| Cash Short (Over) | (0.05) | 0.0 | 90.17 | 0.0 |
| Accumulated Bad Debt Expense | 10,693.86 | 6.8 | 60,147.61 | 4.4 |
| Depreciation Expense | 9,906.47 | 6.3 | 65,016.80 | 4.8 |
| Loan Interest - Rosewood | 0.00 | 0.0 | 900.00 | 0.1 |
| | 95,044.56 | 60.9 | 784,763.49 | 57.8 |
| **Other Income** | | | | |
| unused | 2.75 | 0.0 | 5.48 | 0.0 |
| | 2.75 | 0.0 | 5.48 | 0.0 |
| **Other Expense** | | | | |
| Fed Corp Income Tax Expense | 9,104.00 | 5.8 | 27,312.00 | 2.0 |
| State Corp Income Tax Expense | 3,546.00 | 2.3 | 10,638.00 | 0.8 |
| | 12,650.00 | 8.1 | 37,950.00 | 2.8 |

Whole Earth 'Lectronic Link
Income Statement
9/ 1/93 to 9/30/93

| | Period | % | Y-T-D | % |
|---|---|---|---|---|
| Net income (loss) | $ 19,537.14 | 12.5 | $ 289,009.44 | 21.3 |

Whole Earth 'Lectronic Link
Balance Sheet
as of 9/30/93

| | | |
|---|---|---|
| **Assets** | | |
| Current Assets | | |
| Cash In Banks and On Hand | $ 263,199.67 | |
| Accounts Receivable | 204,685.61 | |
| Prepaid Expense and Deposits | 9,929.98 | |
| Fixed Assets | | |
| Computer Equipment | | 477,815.26 |
| Office Furniture & Equipment | 442,903.70 | |
| Leasehold Improvements | 16,187.72 | |
| Acc Deprec Computer Equipment | 12,495.50 | |
| Acc Deprec Office Furn & Equip | (260,000.95) | |
| Acc Deprec Leasehold Improve | (4,608.24) | |
| | (4,712.68) | |
| Other Assets | | 202,265.05 |
| | | 0.00 |
| Total Assets | | $ 680,080.31 |
| **Liabilities & Equity** | | |
| Current Liabilities | | |
| Accounts Payable | $ 47,376.23 | |
| Accrued Salaries | 45,126.13 | |
| P/R Payable Withholding | (12,078.31) | |
| Owners' Equity | | 80,424.05 |
| Common Stockholders | 72,989.96 | |
| Retained Earnings | 237,656.86 | |
| Current income | 289,009.44 | |
| | | 599,656.26 |
| Total Liabilities & Equity | | $ 680,080.31 |

RUN DATE: 03/31/93
RUN TIME: 3:41 PM

WHOLE EARTH LECTRONIC LNK



INCOME STATEMENT
AS OF 12/30/92

RATIO: INCOME

| | THIS PERIOD | RATIO | 12 PERIODS | RATIO |
|---|---|---|---|---|
| REVENUE | | | | |
| MONTHLY FEES | 102,210.00 | 88.0 | 943,829.15 | 85.3 |
| HOURLY FEES | 45,751.08 | 39.4 | 474,827.12 | 42.9 |
| PACKET FEES | 17,491.87 | 15.1 | 190,849.78 | 17.2 |
| HIGH SPEED LINES | 1,108.58 | 1.0 | 11,434.52 | 1.0 |
| DISK STORAGE FEES | 6,017.40 | 5.2 | 42,443.30 | 3.8 |
| OTHER REVENUE | 6,388.49 | 5.5 | 72,235.01 | 6.5 |
| DISCOUNTS | 44,956.73- | 38.7- | 398,448.20- | 36.0- |
| RETURNS & ALLOWANCES | 2,843.50 | 2.4 | 30,538.63 | 2.8 |
| TOTAL GROSS REVENUE | 136,854.19 | 117.9 | 1,367,709.31 | 123.6 |
| PACKET SERVICES | 16,892.61- | 14.6- | 203,527.56- | 18.4- |
| PHONE SERVICES | 134.24- | 0.1- | 11,592.20- | 1.0- |
| SUPPORT MATERIALS | 3,183.20- | 2.7- | 37,099.98- | 3.4- |
| SUPPORT POSTAGE | 549.25- | 0.5- | 8,624.67- | 0.8- |
| TOTAL DIRECT COSTS | 20,759.30- | 17.9- | 260,844.41- | 23.6- |
| GROSS MARGIN | 116,094.89 | 100.0 | 1,106,864.90 | 100.0 |
| DIRECT EXPENSES | | | | |
| PERSONNEL | 57,234.92 | 49.3 | 526,496.44 | 47.6 |
| COMPUTER OPERATIONS | 10,395.84 | 9.0 | 79,111.22 | 7.1 |
| SALES/MARKETING | 10.00 | 0.0 | 10,092.97 | 0.9 |
| CUSTOMER SUPPORT | 1,205.00 | 1.0 | 12,376.00 | 1.1 |
| OFFICE | 4,938.34 | 4.3 | 69,890.42 | 6.3 |
| GENERAL & ADMINISTRATIVE | 24,110.20 | 20.8 | 179,340.92 | 16.2 |
| DEPRECIATION EXPENSE | 5,912.42 | 5.1 | 75,987.54 | 6.9 |
| TOTAL DIRECT EXPENSES | 103,806.72 | 89.4 | 953,295.51 | 86.1 |
| EARNINGS BEFORE INTEREST | 12,288.17 | 10.6 | 153,569.39 | 13.9 |
| INTEREST INCOME & EXPENSE | | | | |
| INTEREST INCOME | 277.89 | 0.2 | 1,121.74 | 0.1 |
| INTEREST EXPENSE | 998.46- | 0.9- | 6,546.87- | 0.6- |
| NET INTEREST | 720.57- | 0.6- | 5,425.13- | 0.5- |
| EARNINGS BEFORE TAXES | 11,567.60 | 10.0 | 148,144.26 | 13.4 |
| CORPORATE TAX EXPENSE | 44,897.00- | 38.7- | ~~63,197.00-~~ 50,592 | 5.7- |
| Net Income | 33,329.40- | 28.7- | 84,947.26 | 7.7 |

Form **1120X**

(Rev. May 1991)

Department of the Treasury
Internal Revenue Service

# Amended U.S. Corporation Income Tax Return

OMB No. 1545-0132
Expires 4-30-94

For tax year ending ▶ 12/92
(Enter month and year)

Please Type or Print

Name: WHOLE EARTH LECTRONIC LINK

Number, street, and room or suite no. (If a P.O. box, see instructions.): 27 GATE FIVE ROAD

City or town, state, and ZIP code: SAUSALITO, CA 94965

Employer identification number: 68-0124216

Enter name and address used on original return (if same as above, write "Same.")

Telephone number (optional)

Same

Internal Revenue Service Center where original return was filed ▶ OGDEN

## Fill in Applicable Items and Use Part II To Explain Any Changes

**Part I** Income and Deductions

| | (a) As originally reported or as adjusted (See Specific Instructions) | (b) Net change (increase or decrease - explain in Part II) | (c) Correct amount |
|---|---|---|---|
| 1 Total income (Form 1120 or 1120-A, line 11) | 1,324,009 | | 1,324,00 |
| 2 Total deductions (total of lines 27 and 29c, Form 1120, or lines 23 and 25c, Form 1120-A) | 1,187,690 | | 1,187,69 |
| 3 Taxable income. Subtract line 2 from line 1 | 136,319 | | 136,31 |
| 4 Tax (Form 1120, line 31, or Form 1120-A, line 27) | 36,414 | | 36,41 |
| **Payments and Credits** | | | |
| 5a Estimated tax payments. Include overpayment in prior year allowed as a credit | 21,000 | | 21,00 |
| b Amount of refund applied for on Form 4466 | | | |
| c Subtract line 5b from line 5a | 21,000 | | 21,00 |
| 6 Tax deposited with Form 7004 (see instructions) | | | |
| 7 Credit from regulated investment companies | | | |
| 8 Credit for Federal tax on fuels | | | |
| 9 Other payment or refundable credit (specify) ▶ | | | |
| 10 Tax deposited or paid with (or after) the filing of the original return | | | 15,4 |
| 11 Add lines 5c through 10, column (c) | | | 36,4 |
| 12 Overpayment if any, as shown on original return or as later adjusted | | | |
| 13 Subtract line 12 from line 11 | | | 36,4 |
| **Tax Due or Refund** | | | |
| 14 Tax due. Subtract line 13 from line 4, column (c). Make check payable to "Internal Revenue Service" (see instructions) ▶ | | | |
| 15 Refund. Subtract line 4, column (c), from line 13 ▶ | | | |

**Please Sign Here**

Under penalties of perjury, I declared that I have filed an original return and that I have examined this amended return, including accompanying schedules and statements, and to the best of my knowledge and belief, this amended return is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

▶ TAXPAYERS COPY ▶

Signature of officer | Date | Title

**Paid Preparer's Use Only**

Preparer's signature ▶ Richard A. Scarpa | Date 4/16/93 | Check if self-employed ▶ ☐ | Preparer's social security no. 573-52-2193

Firm's name (or yours if self-employed) and address ▶ Biesheuvel Scarpa & Co.
6333 Potrero Ave., Suite 200
El Cerrito, CA

E.I. No. ▶ 94-2209816

ZIP code ▶ 94530

For Paperwork Reduction Act Notice, see instructions on back.



HPP4

NOV. 19, 1971
(prepared by Lawrence Klein)

# BYLAWS OF POINT

## ARTICLE I

NAME:

The name of this corporation is POINT. It is a nonprofit, charitable, non-stock corporation organized and existing under the laws of the State of California for the purpose of promoting, financing, and undertaking research and studies into problems of economic, behavioral and sociological importance for the purpose of benefiting broad segments of the local and national community and generally to perform some or all of the functions of and to carry out some or all of the purposes of Portola Institute, Inc.

## ARTICLE II

OFFICES:

The principal place for the transaction of business of the corporation is 558 Santa Cruz Avenue, Menlo Park, County of San Mateo, State of California. The Board of Trustees has authority to change the location of the principal office.

## ARTICLE III

MEMBERSHIP:

The membership of this corporation shall consist of those individuals who from time to time constitute the Board of Trustees of this corporation, to be chosen as hereinafter provided.

## ARTICLE IV

BOARD OF TRUSTEES:

Section One

The general control and management of the corporation shall be vested in a Board of Trustees consisting of seven (7) persons, and subject to the limitations of the Articles of Incorporation, of the Bylaws, of the California corporation laws, under which this corporation is formed, and subject to the duty of officers as prescribed by the Bylaws, all corporate powers shall be exercised by or under the authority of, and the business and affairs of the corporation shall be controlled by, the Board of Trustees. Without prejudice to the general powers, but subject to the same limitations, it is hereby expressly declared that the Trustees shall have the following powers:

(a) To select and remove all the officers, agents and employees of the corporation, prescribe their powers and duties, fix compensation, and require from them security for faithful service.

(b) To conduct, manage and control the affairs and business of the corporation and to make such rules and regulations therefor not inconsistent with law, or with the Articles of Incorporation, or the Bylaws, as they deem best.

(c) To change the principal office for the transaction of the business of the corporation from one location to another within the same County, as provided in Article II hereof; to fix and locate from time to time one or more subsidiary offices of the corporation within the State of California; to designate any place within the State of California for holding any meetings of the Board of Trustees; to make, adopt and use a Corporate seal, and to prescribe form therefor.

(d) To borrow money and incur indebtedness for the purposes of the corporation and to cause to be executed and delivered therefor, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidences of indebtedness and security therefor.

(e) To appoint an Executive Committee composed of not less than three (3) members as hereinafter provided and to delegate to the Executive Committee any of the powers and authority of the Board in the management of business and affairs of the corporation, except the power to adopt, amend, or repeal Bylaws. The Board of Trustees shall have the power to prescribe the manner in which proceedings of the Executive Committee and other committees shall be conducted. Vacancies in the membership of the Executive Committee may be filled by the Board of Trustees. A majority of the authorized number of members of the Executive Committee shall constitute a quorum for the transaction of business, and transactions of any meetings of the Executive Committee, however called and noticed and wherever held, shall be valid as though had at a meeting duly held after regular call or notice, if a quorum be present and if, either before or after the meeting, each of the members not present signs a written waiver of notice or consent to holding of a meeting or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records, or made part of the minutes of the meeting.

(f) The Board of Trustees may from time to time establish such other committees as it shall deem necessary or advisable.

Section Two

TERM OF OFFICE:

The Board of Trustees shall be self-perpetuating. Each member shall serve until death, resignation or removal by the vote of two-thirds (2/3) of the then qualified Trustees provided, however, no Trustee shall serve for more than three (3) consecutive years.

Section Three

VACANCIES:

Vacancies in the Board of Trustees may be filled by a majority of the remaining Trustees, though less than a quorum, or by the sole or remaining Trustee, and each Trustee so elected shall serve as described in Section Two above.

Section Four

PLACE OF MEETING:

Regular meetings of the Board of Trustees shall be held at any place within the State of California which has been designated from time to time by resolution of the Board or by written consent of all members of the Board. In the absence of such designation regular meetings shall be held at the principal offices of the corporation. Special meetings of the Board may be held at any designated place within or without the State of California or at the principal office.

Section Five

REGULAR MEETING:

The Board of Trustees shall hold one (1) regular meeting each year, on the first Friday in November at the hour of two (2) o'clock P.M. on said day.

Section Six

SPECIAL MEETINGS:

Special meetings of the Board of Trustees for any purpose or purposes may be called at any time by the President, or if he is absent, or unable or refuses to act, by the Vice-President, or by a majority of the Trustees.

Written notice of the time and place of special meetings shall be delivered personally to each Trustee, or sent to each Trustee by mail or by other form of written communication, charges pre-paid, addressed to him at his address as shown upon the records of the corporation, or if it is not so shown on such records or is not readily ascertainable, at the place in which the meeting of the Trustees are regularly held. In case such notice is mailed or telegraphed it shall be deposited in the U.S. Mail or delivered to the telegraph company in the place in which the principal office of the corporation is located at least 48 hours prior to the holding of the meeting. Such mailing, telegraphing, or delivery as above provided shall be due, legal and personal notice to such Trustee.

Section Seven

NOTICE OF ADJOURNMENT:

Notice of the time and place of holding an adjourned meeting need not be given to an absent Trustee if the time and place be fixed at the adjourned meeting.

Section Eight

WAIVER OF NOTICE:

The transactions of any meeting of the Board of Trustees, however called and noticed, and whereever held, shall be valid as though held at a meeting duly held, after regular call and notice, if a quorum be present, and if, either before or after the meeting, each of the Trustees not present signs a written waiver of notice, or consent to the holding of such meeting or an approval of the minutes thereof. Such waivers, consents, or approvals shall be filed in the corporate records or made part of the minutes of the meeting.

Section Nine

WRITTEN CONSENT:

Anything herein to the contrary notwithstanding, any action required or permitted to be taken by the Board of Trustees under the California Corporations Code may be taken without a meeting, if all members of the Board shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. Such actions by written consent shall have the same force and effect as a unanimous vote of such Trustees.

Section Ten

QUORUM:

A majority of the authorized number of the Trustees shall be necessary to constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Trustees present at a meeting duly held at which a quorum is present shall be regarded as an act of the Board of Trustees, unless a greater number be required by law or by the Articles of Incorporation, or the Bylaws.

Section Eleven

FEES AND COMPENSATIONS:

Trustees shall not receive any salaries or fees for their services as Trustees, but, by resolution of the Board they may be reimbursed for their out-of-pocket expenses incurred in the transaction of corporate business. Nothing herein contained shall be construed to preclude any Trustee from serving the corporation in any other capacity, as an agent, employee, or otherwise and receiving compensation therefor.

Section Twelve

INDEMNIFICATION:

Each Trustee and officer, whether or not then in office, shall be indemnified by the corporation against all liabilities, costs and expenses reasonably incurred by or imposed upon him in connection with or rising out of any action, suit or proceedings in which he may be involved or to which he may be made a party by reason of his being or having been a Trustee or officer of the corporation, such expenses to include the cost of reasonable settlements made with a view to curtailment of costs of litigation. The corporation shall not, however, indemnify such Trustee or officer with respect to matters as to which he shall be finally adjudged in any action, suit or proceedings, to have been derelict in the performance of his duty as such Trustee or officer. The foregoing right of indemnification shall not be exclusive of any other right to which any Trustee or officer may be entitled as a matter of law.

## ARTICLE V

### Section One

OFFICERS:

The officers of the corporation shall be a President, a Vice-President, a Secretary and a Treasurer. The corporation may also have, at the discretion of the Board of Trustees, one or more Assistant Presidents, one or more Assistant Secretaries, one or more Assistant Treasurers, and such other officers as may be appointed in accordance with the provisions of Section Three of this Article. One person may hold two (2) or more offices, except those of the President and Secretary.

### Section Two

ELECTION:

The officers of the corporation, except such officers as may be appointed in accordance with the provisions of Section Three or Five of this Article, shall be chosen annually, at the annual regular meeting of the Board of Trustees, and each shall hold his office until he shall resign, or shall be removed, or otherwise disqualified to serve, or his successor shall be elected and qualified.

### Section Three

SUBORDINATE OFFICERS:

The Board of Trustees may appoint such other officers as the business of the corporation may require, each of whom shall hold office for such period, having such authority and performing such duties as provided by the Bylaws, or as the Board of Trustees may from time to time determine.

### Section Four

REMOVAL OR RESIGNATION:

Any officer may be removed, either with or without cause, by a majority of the Trustees at any time in office, at any regular or special meeting of the Board, or, except in the case of an officer chosen by the Board of Turstees, by any officer upon whom such power of removal, or any committee upon whom such power of removal may be conferred by the Board of Trustees.

Any officer may resign at any time by giving written notice to the Board of Trustees, or to the President, or to the Secretary of the corporation. Any resignation shall take effect at the date of receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of said resignation shall not be necessary to make it effective.

Section Five

VACANCIES:

A vacancy in any office because of death, resignation, removal, disqualification, or any other cause shall be filled in the manner prescribed by the Bylaws for the regular appointment to such office.

Section Six

PRESIDENT:

The President shall be the chief executive officer of the corporation and shall, subject to the control of the Board of Trustees, have general supervision, direction and control of the business and officers of the corporation. He shall preside at all meetings of the Board of Trustees and he shall be "ex officio" a member of all standing committees, including the Executive Committee, and shall have the general power and duty of management ususally vested in the office of President of a corporation, and shall have such other powers and duties as may be prescribed by the Board of Trustees or by the Bylaws.

Section Seven

VICE - PRESIDENT:

In the absence or disability of the President, the Vice President shall perform all duties of the President, and when so acting, shall have all powers of and be subject to all the restrictions upon the President. The Vice-President shall be a regular member of the Executive Committee and shall be Chairman of that body. He shall further have such other powers as may be from time to time prescribed by the Board of Trustees or by the Bylaws.

Section Eight

SECRETARY:

The Secretary shall keep, or cause to be kept, the book of

minutes at the principal office or such other place as the Board of Trustees may order, of all meetings of the Trustees, with time and place of holding, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at Trustees meetings.

The Secretary shall give, or cause to be given, notice of all meetings of the Board of Trustees required by the Bylaws or by law to be given and he shall keep the Seal of the corporation in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board of Trustees or by the Bylaws.

The Secretary shall be a regular member of the Executive Committee of this corporation and shall act as Secretary of such committee.

Section Nine

TREASURER:

The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital and surplus.

The Treasurer shall deposit all moneys and other valuables in the name of and to the credit of the corporation with such depositories as may be designated by the Board of Trustees. He shall disburse the funds of the corporation as may be ordered by the Board of Trustees, shall render to the President, Trustees, and Executive Committee, whenever they request it, an account of all his transactions as Treasurer and of the financial condition of the corporation and shall be a regular member of the Executive Committee of this corporation. Further, the Treasurer shall have such other powers and perform such other duties as may be prescribed by the Board of Trustees or by the Bylaws.

ARTICLE VI

MISCELLANEOUS

Section One

INSPECTION OF CORPORATE RECORDS:

The books of account, and minutes of proceedings of the Board of Trustees and of the Executive Committee shall be open

to inspection upon written demand of any Trustees at any reasonable time, and for a purpose reasonably related to his interests as a Trustee. Such inspection may be made in person or by an agent or an attorney and shall include the right to make extracts. Demand of inspection other than at Trustees meetings shall be made in writing upon the President, Secretary, or Treasurer of the corporation.

Section Two

CHECKS, DRAFTS, ETC.:

All checks, drafts or other records for payment of money, notes or other evidence of indebtedness, issued in the name of, or payable to the corporation, shall be signed or endorsed by such person or persons and in such manner, as from time to time shall be determined by resolution by the Board of Trustees.

Section Three

CONTRACTS:

The Board of Trustees, except as otherwise provided in the Bylaws, may authorize any officer or officers, committee, agent or employee, to enter into any contract or execute any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to special instances; and, unless so authorized by the Board of Trustees, no officer, agent, committee, or employee, shall have any power or authority to bind the corporation upon any contract or engagement or to pledge its credit or to render it liable for any purpose or any amount.

ARTICLE VII

AMENDMENTS:

These Bylaws may be amended or repealed by the Board of Trustees of this corporation.

CERTIFICATE OF SECRETARY

I, the undersigned, certify:

1. That I am the duly elected secretary of Point, a California corporation, and

2. That the above Bylaws, comprising nine (9) pages, constitute the Bylaws of said corporation as adopted by the Board of Trustees at its meeting of November 18, 1971.

Dated: November 19, 1971

Lawrence A. Klein, Secretary

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